

A Vida É Bela

Selling dreams with experience marketing

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ABSTRACT

Title: *A Vida É Bela*: selling dreams with experience marketing

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In 2002 the experience world was changing in Portugal, when António Quina founded the company *A Vida É Bela*. Not only Quina found a business opportunity but also a chance to change his own life. Unemployed and without resources, but with a strong vision and belief, he launched the first experience gift company in Portugal. Today, *A Vida É Bela* is leader in the Iberian market and is looking for growth in Brazil.

Quina's company was a special driver to the tourism and leisure industry, creating a new paradigm. Moreover, it potentiated the promotion of new business, revolutionized the tourism and leisure selling way, introduced a new gift form, segmented the offer and materialized experiences making them accessible to the regular customer.

Besides the case study of *A Vida É Bela*, the following thesis makes an analysis of the experience marketing concept, a basic concept of the company. Furthermore, the case describes how *A Vida É Bela* was born and the path ran towards the current success. The final objective was to develop, based on the information provided, conclusions about the future of *A Vida É Bela*: ways to enlarge the customer retention and satisfaction, internationalization options and suggestions of new ideas.

The thesis was based on the knowledge of the concepts behind *A Vida É Bela* and on information provided by contact with the company. The case is a real Portuguese entrepreneurship example with several particularities; it can be used as a tool to understand the strategic decisions of a company from zero to the success and consequent internationalization.

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1) Introduction

A Vida É Bela is a Portuguese company specialized in selling experience gifts since 2002 and is changing the gift paradigm as related to the leisure and tourism.

The following Literature Review aims to cover some sensitive aspects about concepts behind the core of this thesis: the case-study of the company *A Vida É Bela*.

The company is positioned in the experience tourism and covers two industries: gift and leisure/tourism. For that reason, the next analysis will make an overview of these industries and to better understand the concept behind *A Vida É Bela*, experience marketing, the thesis exposes some results from a deep research.

The leisure and tourism industry is considered one of the biggest and growing industries in the world, creates a range of market opportunities and has attached several activities.

Although, in some cases Europeans give more importance to leisure and tourism than work, the southernmost countries are better prepared to these activities. The weather, the landscape and the culture make Portugal an excellent place to tourism and leisure activities. In spite of the crisis and some forced changes (as late travel reservations or preference for low cost packs), these activities are in the first place of Portuguese's consumption intentions.

As result of society changes, over time this sector suffered some adjustments while consumers became more and more willing to demand and to pay for these activities. On the other hand, the excess of sources of information are turning difficult to catch consumers' attention.

Hence, experiences came up as a new and effective way to overcome such issue, and to brands communicate and enlarge their relation with employees and customers. Experiences as a communication strategy is the basis of experience marketing, which emerged from the convergence of several changes: the technological evolution during the twentieth century led to a mass production and as consequence to a mass consumption; companies were practicing aggressive price wars, were having low margins and were communicating to a mass (mass marketing). Thus, the low level of differentiation conducted to a low level of innovation in business.

As a result, in the market something was missing; the value creation and the added value were low, so companies could not maximize their resources to stand out in the market. In a mass production market wins who produces more and is able to reach more consumers. So, at that

time the relation consumer/company was really short-term and the perceived value of each client was extremely low.

Concerning this scenario companies had to decide what they should increase: the number of customers or the customer value of each one to ensure the loyalty and future purchase.

Indeed, the first option was the master idea during the last century, subsequently some changes were needed by society to evolve and by companies to maximize the created value, so the second option was the direction which some companies followed. This meant a change of the paradigm of mass production to introduce the relationship marketing: a strategy based on the valuation of the relation between customers and company in order to customize the marketing to meet each client individually and increase their value.

The experience marketing came up as a different way to enlarge those relations. Experiences are remarkable, emotional and meaningful enough, and provide itself a new gift proposal to the saturated gift market.

The experience gift industry emerged in the 90s in UK and represented one of the faster growing segments in the gift industry. The first experience gift company was created in 1989 in that country, but the industry boom occurred during the new millennium.

In Portugal, *A Vida É Bela* introduced the concept - a new way to reward - turning a gift into something much more emotional and experiential. Moreover, the own sense of selling experiences gained another dimension, take a ride in a limousine or in an air balloon are now available experiences to the common consumer to accessible prices. Later, thinking outside the box, *A Vida É Bela* invested in an internationalization strategy launching their business to Spain and to Brazil.

After *A Vida É Bela*, other companies came up in the Portuguese market, was the case of *Smartbox*, *Odisseias* and *Coolgift*. Nevertheless, *A Vida É Bela* maintains the leading position not only in Portugal but also in Spain where the business is having a huge success.

This project converges to a case study of *A Vida É Bela*, followed by a Teaching Notes chapter with some highlights to guide the analysis of the case study. A set of questions were carefully prepared as example questions that can be made to the students. At the end can be found a section with some final analysis and discussion issues that could be used as group questions to be discussed and solved by the students.

2) Literature Review

2.1.) Leisure and tourism industry

2.1.1.) Industry definition

The industry has a wide number of market opportunities and segments to explore. But there are several trends that may affect the usual business flow of new entrants.

During the twentieth century the improvements in technology increased the scope of market opportunities and the way of doing business. Additionally, according to the current legislation people work fewer hours per week than ever before, having more free time to do whatever they want. The improvement in transport systems has also enabled people to travel not only for need but for pleasure, what increased the willing for leisure activities. More and more people tend to save time and money to spend on leisure. The range of new activities for the family segment is also raising, consequence of the trend of both parents working and the need for families spend more time together. (Hayward, 2002)

In addition, the age has proven to be a valuable predictor of human behavior and economic demand. Aging trend in industrialized countries has strong and global effects on leisure and tourism, so activities as travelling or products directed to elderly consumers are more often. In general, markets are more segmented in terms of symbolic values, subcultures and styles. This leads to situations where marketing will not just react to consumers' desires but has the propose of creating them, which implies the thought of innovative ways to generate such desires.

A particular concern about the current growth of the leisure and tourism sector is the probable saturation of the market or oversupplied, caused by the presence of too much suppliers given the demand. (Weiermair & Mathies, 2004)

Furthermore, the spending patterns have been changing over time. A practical example are the current numbers about the annual cinema attendances which, according to the ONS reports in UK, have risen from 139 million in 1998 to 165 million in 2005, whereas live football has become fashionable again.¹

Developed countries' populations drive the global leisure industry, which income is rising over the time and population is more affluent. Typically, leisure activities are gaining a particular importance because people work long hours, so activities to unwind outside of work aligned with a more comfortable economic situation, are a great way to spend time and money.

¹ http://www.77finance.co.uk/leisure_sector.html.html (consulted in April 2012)

Finally, a curious trend is the fact consumers tend to combine necessity and leisure, for that reason the restaurants segment tends to lead the overall market in this industry.²

2.1.2.) Industry trends

Leisure can be defined as the range of activities that people choose to do in their free time.³ Actually, people like to spend their money left over after paying for essential goods on doing things they enjoy (Hayward, 2002), and probably are willing to spend more income proportion on products perceived as more enjoyable.

Leisure and tourism industries are together one of the largest and fastest growing industries in the world. In fact, it became a byproduct of the postmodern industrial revolution and continues to grow at a significant rate.

Another important concern is the wide scope of the leisure industry, which has attached directly and indirectly several activities, meaning that each job in leisure generates another job in a supporting industry. For instance, hotels are considered a part of leisure, and yet the components that enable these businesses to function (as laundry, dry cleaning, furniture, uniforms, and raw materials) all play a role in the industry. (Scott, 1998)

Thus, leisure industry is defined as the segment of business focused on products and services related to entertainment, recreation and tourism, providing activities that people do for entertainment and enjoyment. So, the main areas of the leisure sector are health, fitness, gambling and sports.⁴

2.1.3.) Key sub-sectors and quantitative data about the industry

According to the **Fig. 1**, **Fig.2** and **Fig. 3** it is expected a significant growth of this industry, the restaurants segment dominates the market and America and Europe are the two world regions that generate more than 50% revenues of the industry.⁵

² <http://www.reportlinker.com/ci02214/Leisure.html> (consulted in April 2012)

³ http://en.wikipedia.org/wiki/Leisure_industry (consulted in April 2012)

⁴ <http://businesscasestudies.co.uk/case-studies/by-industry/leisure.html> (consulted in April 2012)

⁵ Datamonitor (May 2011), "Industry Profile: Global Hotels, Restaurants & Leisure", reference code: 0199-2076.

Fig. 1 : The world hotels, restaurants and leisure market

Source: Datamonitor (May 2011), “Industry Profile: Global Hotels, Restaurants & Leisure”, reference code: 0199-2076.

Year:	Value	CAGR
2010	\$ 2,284.1 billion	3,6% (period: 2006 - 2010)
2015 (forecast)	\$ 2,809 billion	4,2% (period: 2010 – 2015)
Expectation: acceleration in revenue growth during 2010 – 2015 (23%).		

Fig. 2: World hotels, restaurants and leisure sectors’ market by revenues (%) in 2010

Source: Datamonitor (May 2011), “Industry Profile: Global Hotels, Restaurants & Leisure”, reference code: 0199-2076.

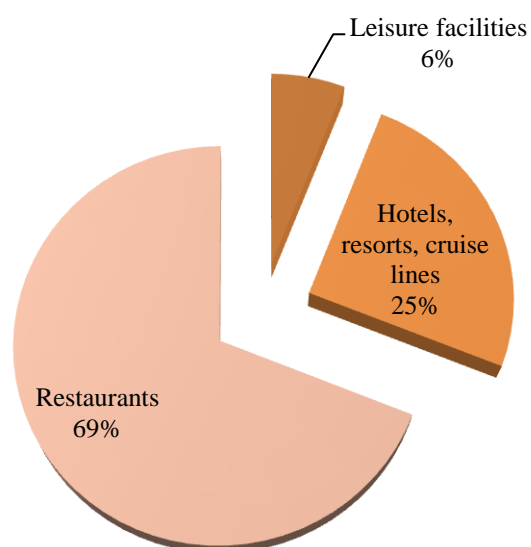
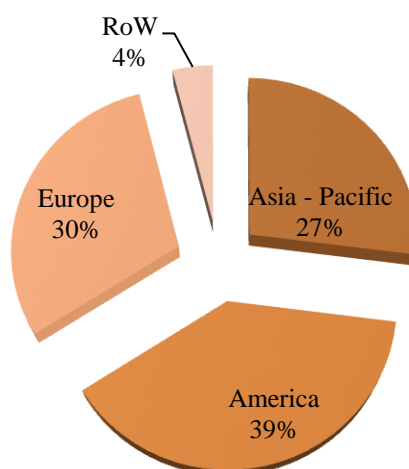


Fig. 3: World hotels, restaurants and leisure market by region (%) in 2010

Source: Datamonitor (May 2011), “Industry Profile: Global Hotels, Restaurants & Leisure”, reference code: 0199-2076.



The key factors in the **hotels, restaurants and leisure industry** capable to increase the rivalry and hampers new entries are the capital, management, marketing, human resources and energy of the companies. The brand recognition may attract first-time purchasing decisions, even if buyers tend to be price sensitive; they recognize the brand and if they have a positive perception they will trust and buy. The suppliers are essential and have some bargaining power, once they might compromise the quality and availability of the final service. Moreover, skilled employees are vital to maintain the business because they provide direct service to the clients and assume the face of the business, so companies have to be especially concerned about the quality of training. Consequently, the success within the industry is strongly influenced by the quality of the service provided and the strong image helps companies building consumer acceptance of new products whilst providing leverage for new business venture, minimizing the risk of new incumbents. At last, some factors that might affect negatively the industry are natural disasters, terrorist attacks, geopolitical risks, epidemics and global recession.⁶

Another sub-sector to be considered is the **world casinos and gaming market**, which is expected to reach \$513 billion in 2015 (34% increment in five years).⁷

In addition, due to the increasing number of people, who work long hours in offices, the tendency is that the weight on leisure will grow, reinforcing the current trend for demanding activities as **sports and relax hobbies**.⁸

⁶ Datamonitor (May 2011), “Industry Profile: Global Hotels, Restaurants & Leisure”, reference code: 0199-2076.

⁷ <http://www.reportlinker.com/ci02214/Leisure.html> (consulted in April 2012)

⁸ <http://www.reportlinker.com/ci02214/Leisure.html> (consulted in April 2012)

On the other hand, during the economic recession **leisure travel** is more significant than business travel. The example showed by some US data proves this evidence: business travel suffered a harsher decrease than leisure in 2009, - 5,3% to a decrease of leisure of -2,6%.⁹

Using data from USA to analyze consumers habits, Americans spend on average 22%¹⁰ of their day engaged in leisure activities. On an average day, nearly everyone ages 15 and over engaged in some sort of leisure activity, as watching TV, socializing or exercising. Of those, men spend more time doing these activities¹¹. Adults ages 75 and over spent more, than any other age group, engaged in leisure activities¹². While 35 to 44 year old spends less than other age group¹³. Employed adults living in households with no children under 18 engaged in leisure activities¹⁴ almost an hour more than employed adults living with a child under age 6.¹⁵

2.1.4.) Leisure and tourism industry in Europe¹⁶

The general trend in Europe is give to leisure more importance than work, especially in Germany and in United Kingdom. Europeans prefer activities that promote human contact and social relations, but also nice meals, caring for the body, relaxing and going to the beach, rather than activities such as adventure sports and browsing the internet.

The Southernmost countries (Portugal, Spain, Italy) are more prepared to engage in tourism and leisure activities; they are aware of their natural resources' value, even if their budget for leisure is lower than other countries.

Concerning the expenditures on leisure activities, half the population admits to spend between 6% and 25% of their budgets on that. German, British and French spend the most, whereas Spanish, Italian and Portuguese spend less.

To look for information about tourism and leisure activities, the most used technique is the word-of-mouth, followed by travel agencies and tour operators, touristic information points,

⁹ <http://www.reportlinker.com/ci02214/Leisure.html> (consulted in April 2012)

¹⁰ On average 5,25 hours per day.

¹¹ On average 5.8 hours per day and women on average 5.1 hours per day.

¹² Roughly 7.7 hours per day.

¹³ 4.2 hours engaged in leisure and sports activities.

¹⁴ On average 4.5 hours per day.

¹⁵ Richard K. Miller & Associates (2012), "Leisure Market Research Handbook".

¹⁶ The source of this section is http://findarticles.com/p/articles/mi_hb4779/is_7/ai_n28892756/ (accessed in April 2012)

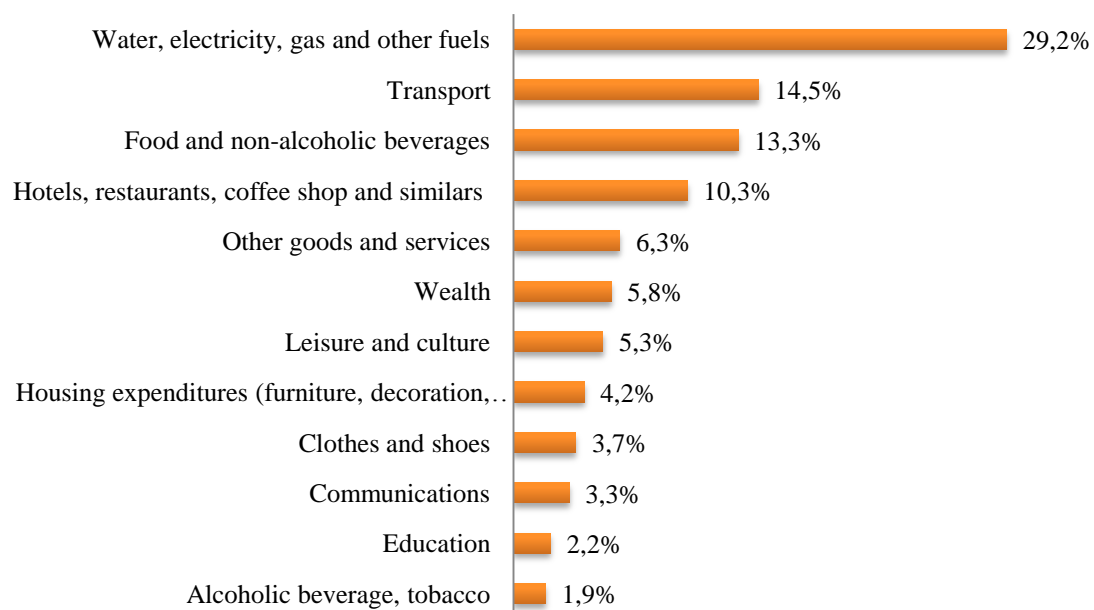
brochures, catalogues and internet. Regarding making reservations online, while Portuguese are the most reluctant, German and British are the most appealing to it.

2.1.5.) Leisure and tourism industry in Portugal

Portugal meets optimal conditions for tourism and leisure activities. Mild weather and pleasant landscapes makes the country really attractive to many tourists. In reality, tourism is playing a progressively more significant role in the Portuguese economy contributing about 5% of the Gross Domestic Product (GDP).¹⁷

Since 1989, Portugal registers a growth tendency of the expenditures with leisure and culture. In 2010/2011, those expenditures were 5,3% and the expenditures with hotels, restaurants, coffees and similar were 10,3% of the annual average expenditure, making all together nearly 15% of the total. (Fig.4)

Fig. 4: Annual average expenditures in Portugal in 2010/2011¹⁸



¹⁷ http://en.wikipedia.org/wiki/Tourism_in_Portugal (accessed in May 2012)

¹⁸ http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0000396&contexto=pi&selTab=tab0 (accessed in April 2012)

Regarding the interest for cultural activities Portuguese are more and more showing availability for it. For example, compared to the previous year, in 2010 the number of sessions of life shows increased 4,4%, the number of sold tickets increased 10,3% and the box office 35,8%. Although, theatre shows run more sessions and have lower average price, there are a visible preference for concerts of soft music. In 2010 from the 13.8 million visitors registered, 25,1% preferred zoos, botanic gardens and aquariums, followed by art museums (23,6%), history museums (16,4%) and specialized museums (11,7%).

In addition, comparing with the households without children the households with children tend to spend more in activities related to leisure, culture and time-spent as hotels, restaurants, coffees.¹⁹

2.1.6.) Impacts of the crisis in the industry²⁰

The consequences of the current Portuguese crisis are significant changes in consumption habits (late travel reservations, a preference for low cost packs, for special promotions and for closer and cheaper destinations).

Additionally, Portuguese use to look for national travel options instead of foreign destinations, opening perspectives for business opportunities related to leisure and tourism and for solutions about how to spend some time-out and options for holidays.

An important evidence for this analysis is the fact that in the first place of the consumption intentions of Portuguese are leisure activities and travel. In general, despite the crisis people continue giving importance to these activities, not dispensing a time-out period.

However, this consumption is becoming more moderated, registering a decrease of 10% in the Portuguese consumption intentions for leisure and travel from 2010 (47%) to 2011 (37%).

Globally, these numbers are below the Union European average (54%), which would be expected regarding the current Portuguese economy compared to the remaining countries.

¹⁹ http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0000396&contexto=pi&selTab=tab0
(accessed in April 2012)

²⁰ The source of this section is <http://www.briefing.pt/marketing/11533-lazer-e-viagens-lideram-despesas-dos-consumidores-portugueses.html> (accessed in May 2012)

2. 2.) Experience marketing

As economic agents, companies have some concerns when they design the marketing communication strategy: at the same time they have to transmit a certain message and to promote the demand.

Evidence #1

If people watch TV while working on their computer, their eyes switch on average four times per minute.²¹

Nowadays, consumers are influenced by several sources of information. The aggressive competition in the global marketplace turns difficult to compete and to differentiate on the products characteristics. On the other hand, as the traditional media are overused consumers attention is not captured using them anymore. Their attention is caught by relevant marketing communications and mainly emotional decision making, since today a rational decision based on so much choices turns the final decision pretty hard.²² Thus, the consumer's dispersion attention is an opportunity to brands to find new ways to capture their interest; there are different platforms that encourage brands to develop multichannel strategies in order to ensure the contact and the wished message transmission.²³

So, how do companies communicate their messages in a quick and effective way?

Evidence #2

Visitors of Heineken theme store in Amsterdam or who designed a label online had a more positive attitude and established a stronger relation with the brand than participants in a controlled condition.²⁴

The brand experience through a store or other interactive program that imply an emotional engaging makes people more likely to positively identify with that brand. This is the basis for

²¹ <http://www.forbes.com/sites/jimnichols/2011/08/17/experience-based-marketing-ftw/> (accessed in June 2012)

²² Brasel, S. Adam and Gips James (2011), "Media Multitasking Behavior: Concurrent Television and Computer Usage", *Carroll School of Management - Boston College*

²³ http://inovacaomarketing.com/2012/06/05/marketing-metade-dos-portugueses-e-multitasker-no-consumo-de-televisao-e-internet/?utm_source=Inova%C3%A7%C3%A3o+%26+Marketing&utm_medium=facebook (accessed in June 2012)

²⁴ Fransen, Marieke and Lodder, Paulien (2010), "The effects of experience-based marketing communication on brand relations and hedonic brand attitudes: the moderating role of affective orientation", *University of Amsterdam*

the experience marketing concept, meaning that to reach consumers' interest brands should focus on the experience instead of the marketing message.²⁵

Evidence #3

According to the Simultaneous Media Usage report by bigresearch.com after searching a certain brand 69% of users communicate with that brand.²⁶

Events as the *M&M World*²⁷ and the *World of Coca-Cola*²⁸ are real examples how brands are providing emotional experiences to their customers through experience stores. In Portugal, the music festivals, where brands concede their names to the events, are examples of different brand communication strategies. According to Pedro Moreira da Silva, from Optimus (associated to the music festival Optimus Alive and Optimus Primavera Sound), "When a brand has a clear personality, the brand gets closer to the consumer in terms of affection and emotional space appropriation.". On the other hand, in 2005 TMN did a "rebranding", changing the brand image. TMN associated to the music festival Sudoeste TMN, and as Mafalda Torgal, the communication direction of TMN, stated "The brand needed a new personality and attributes, that was the reason why the brand associated to the music." In fact, 80% of the brand investment is directed to the young segment, who watches less and less television, so to reach their attention TMN had to find more effective ways.²⁹

Experience marketing communications are a growing trend in the area of marketing communication.³⁰ Actually, experiences are much more effective than television and online advertising combined.³¹

The concept of experience marketing, as addressed in this thesis, emerged in United Kingdom. Although, the traditional marketing techniques continue to exist, the investment in Experience Marketing becomes a vital part of the communication strategy. (Andrés, Caetano, & Rasquilha, 2005)

²⁵ <http://www.forbes.com/sites/jimnichols/2011/08/17/experience-based-marketing-ftw/> (accessed in June 2012)

²⁶ <http://www.forbes.com/sites/jimnichols/2011/08/17/experience-based-marketing-ftw/> (accessed in June 2012)

²⁷ M&M's World is a retail store which sells M&M's candy to clothing. There are stores in Paradise, Nevada, in Orlando, Florida, in New York City and in London. http://en.wikipedia.org/wiki/M%26M's_World (accessed in June 2012)

²⁸ The World of Coca-Cola is a permanent exhibition featuring the history of The Coca-Cola Company. It is known for advertising, being a host of entertainment areas and attractions and it is located in Atlanta, Georgia since 2007. http://en.wikipedia.org/wiki/World_of_Coca-Cola (accessed in June 2012)

²⁹ <http://www.ionline.pt/portugal/marcas-dao-nome-festivals-verao-apanas-ganhar-personalidade> (accessed in June 2012)

^{30 30} Fransen, Marieke and Lodder, Paulien (2010), "The effects of experience-based marketing communication on brand relations and hedonic brand attitudes: the moderating role of affective orientation", *University of Amsterdam*

³¹ <http://www.forbes.com/sites/jimnichols/2011/08/17/experience-based-marketing-ftw/> (accessed in June 2012)

The concept was the result of the convergence of several changes in organizations. Thanks to the technological evolution during the last century, the demand suffered a mass effect and as a consequence companies embraced mass production. In reality, the market was looking for diversity and quantity, instead of specialization and more quality. The players used to compete on price resulting on aggressive price wars, with low margins, profits and customer loyalty. As a result the general organizational system was based on mass consumption, mass production and on communication to a mass; the level of differentiation was low and companies were not exploring all their capabilities and skills.

Thus, there was an imminent need for innovation to increase the value created, the added value and to make a better use of the organizational tools to the path of socio-economic development. Society needed something new and innovative, instead of an assembly line production.

Although, “innovation” is a dynamic concept, since what is new today becomes a commodity tomorrow, it appealed as a way to stand out in the market where the consumers were seen as all the same. The challenge was to change the mass market essence, personalizing it with the maximum information about the clients: who they are, what they like and need, what they need to increase their loyalty and their share.

Thus, came the relationship marketing or marketing one-to-one, which focuses on the development and creation of individual relations with clients and introduces a sort of differentiation and creativity with the purpose of increase the purchase frequency instead of the clients’ number. Progressively, the system is reaching the mass customization, which should be perceived as a complement for the mass communication to retain the best clients (the ones with the highest value and potential) and not only to catch new ones. To do so, first of all it is crucial to identify the consumers, differentiate needs among groups, and then individually promote interaction (where employees are a key factor) and finally the customization (in order to make the experience into something unique). A result of the relationship marketing was the experience marketing, where through experiences companies could enlarge the relations with the clients.

At the end, this kind of approach leads to stand out from the competition by differentiation, by creation of a brand image, an own identity, by innovation and increment of loyalty; summing up by replacing the rational decision by the emotional relation. (Andrés, Caetano, & Rasquilha, 2005)

On the other hand, if the traditional marketing is oriented to products and focuses on functional features and benefits, the experience marketers center on consumption situations (not products directly) and set up ways to enhance the consumption experience in products, in such a way that

customers do not only engage in rational choices, but are driven by their emotions. Therefore, experience marketing is usually defined as any form of customer-focused marketing activity that creates a connection to customers. (Schmitt, 2011)

Schmitt consolidated some definitions of experience marketing from different authors. Lasalle and Britton (2002) defend it is a contact between a customer and a product, a company or its representative that generates a response. Kishka (2003) views experience management as a systematic approach to measuring and managing customer feedback. Pine and Gilmore (1999) refer to experiences as events that engage individuals in a personal way. Gentile et al. (2007) states the customer experience creates from a set of connections between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is individual, implying each customer at different levels of involvement - rational, emotional, sensorial, physical and spiritual. (Schmitt, 2011)

Moreover, concerning the strategic areas of experience the five types of experience marketing approaches are “sense,” “feel,” “think,” “act,” and “relate.”

The “sense marketing” appeals to consumers’ senses (sight, sound, touch, taste, and smell). The “feel marketing” creates affective and emotional experiences. The “think, cognitive and intellectual marketing” generates cognitive correlations and intellectual challenges to solve problems in a creative way. The “Act/reaction marketing” targets physical behaviors, lifestyles, and interactions. Finally, “relate/inspirational marketing” creates experiences by taking into account individuals’ desires to be part of a social context. (Schmitt, 2011) and (Andrés, Caetano, & Rasquilha, 2005)

At the end, even if it is generally accepted that experience based marketing communication enhances brand attitudes and relations, it should be done some empirical tests. So, the experience based marketing is firstly initialized by the company, which promotes the experience in several ways, the most commons are events, trials and theme stores.³²

³² Franssen, Marieke and Lodder, Paulien (2010), “The effects of experience-based marketing communication on brand relations and hedonic brand attitudes: the moderating role of affective orientation”, *University of Amsterdam*

2. 3.) Experience gift industry

In the current experience economy the temporary concepts are truly valued. “Consumers are driven by experiences instead of the *fixed*, by entertainment, by discovery, by fighting boredom, which increasingly live a transient lifestyle, freeing themselves from the hassles of permanent ownership and possessions. The fixed is replaced by an obsession with the here and now, an ever-shorter satisfaction span, and a lust to collect as many experiences and stories as possible.”³³

There was space for the development of a new industry (experience gift) fact confirmed by a survey conducted by American Express in 2005, which notes that the experience gift market was rising (more 7% than the previous year), mainly among consumers under 18 and 44 years old.³⁴

A gift is the transfer of something without the expectation of payment, motivated by the sense of reward for some action or event.³⁵

Experience gifts are a particular kind of gift, which opposes to material gifts, consisting of the experience of something memorable and with an emotional connection.

Usually, experience gifts are sub-divided into some generic categories as adventure (e.g. skydiving, kayaking, whitewater rafting, hang gliding), driving (e.g. rallying, classic cars), gourmet (e.g. wine tasting, gourmet cooking lessons, tasting menu experiences), environmentally friendly (e.g. segway city tours, whale watching), rejuvenate (e.g. spa treatments, stone massages) and travel (e.g. weekend getaways, golfing breaks).

This kind of gifts emerged in the 90s in United Kingdom, representing one of the faster growing segments in the gift industry (\$ 253 billion per year).

The pioneer in the experience gift industry: *Red Letter Days*

In 1989 the British Rachel Elnaugh pioneered the concept of giving unforgettable experiences gifts when found the company *Red Letter Days*. The idea came up after looking for a creative way to give her father tickets to an England cricket team match. The business reached such a success that she won the Ernst & Young Entrepreneur of the Year Award in 2002. In August

³³ <http://www.trendwatching.com/trends/transumers.htm> (accessed in April 2012)

³⁴ http://www.icrsurvey.com/Study.aspx?f=amex_1105.htm (accessed in April 2012)

³⁵ <http://en.wikipedia.org/wiki/Gift> (accessed in April 2012)

2005 the company was purchased by Theo Paphits and Peter Jones, both big names from big companies and entrepreneurs in their own right.³⁶

Today, *Red Letter Days* offers hundreds of experiences in the United Kingdom and abroad, the company offers individual, for two or group experiences. Furthermore, the company provides some options to the corporate segment, namely United Kingdom's biggest companies.³⁷

Other companies in the experience gift industry

Followed by the success of *Red Letter Days* in 2001, the Australian experience gift company, *Red Balloon*, was found by Naomi Simson current *Red Balloon*'s CEO. She left behind a great corporate marketing career to launch herself through a remarkable shift business in the gift industry. *Red Balloon* has reached a significant and fast growth. Today, the company is one of Australia's and New Zealand's most successful online businesses.³⁸

Moreover, across Europe other experience gift companies were founded. By 2010 there was at least one experience gift company placed in almost each EU country.³⁹

An example is *ExperienceGiftsOnline* launched in October 2010⁴⁰ in Cyprus, which website is translated in Russian, Greek and English⁴¹. In Germany there is the *Jochen Schweizer*⁴² and in Spain *La Vida És Bella* since 2006⁴³.

The company *SmartBox*, managed by Pierre-Edouard Stérin, was founded in 2000 and has branches all over Europe (including Portugal) but also in United States, Japan, Brazil, Australia and Mexico, with the head office in Paris, France.⁴⁴

In United Kingdom there is also the example of *GiveTruly*, a subsidiary of *Executive Perks Limited*⁴⁵. Using the before experience taken from the corporate sector, the company extrapolated to the consumer market, but *GiveTruly* targets mainly a more sophisticated market.⁴⁶

*Virgin Experience Days*⁴⁷ was firstly used to offer just experiences to the corporate segment to motivate the employees, but according to the fast growth, the company expanded to the

³⁶ http://en.wikipedia.org/wiki/Experiential_gifts (accessed in April 2012)

³⁷ <http://www.redletterdays.co.uk/AboutUs> (accessed in April 2012)

³⁸ <http://www.redballoon.com.au/about-us> (accessed in April 2012)

³⁹ http://en.wikipedia.org/wiki/Experiential_gifts (accessed in April 2012)

⁴⁰ <http://www.dynamicworks.eu/cyprus-eshop-design-development-cms/> (accessed in April 2012)

⁴¹ www.experiencegiftsonline.com/ (accessed in April 2012)

⁴² <http://www.jochen-schweizer.de/> (accessed in April 2012)

⁴³ http://www.jornaldenegocios.pt/home.php?template=SHOWNEWS_V2&id=468869 (accessed in April 2012)

⁴⁴ http://www.smartbox.com/uk/?menu=static&content=who_are_we (accessed in April 2012)

⁴⁵ An experienced provider in corporate gifts and loyalty programs.

⁴⁶ <http://www.givetruly.com/about-us/> (accessed in April 2012)

⁴⁷ <http://www.virginexperiencedays.co.uk/about> (accessed in April 2012)

consumer experience gift market. Actually, in 2003 the company joined *Acorne Sports*⁴⁸, which had been founded in 1988 and is the original experience company.

Despite, being more and more trendy in Europe and Australia, the experience gift business in US met its major growth between 2004 and 2005, when the three largest experience gift companies in US were created: *Cloud 9 Living* (in 2005⁴⁹), *Xperience Days* (in 2004⁵⁰) and *Excitations* (in 2004⁵¹).

⁴⁸ <http://www.acorne.co.uk/History/> (accessed in April 2012)

In 1980's the founder of Acorne Sports was pioneer using gift vouchers on a national scale for flying lessons. In 1988 the company launched the "Nationwide Flying Gift Tokens" for Christmas.

⁴⁹ <http://www.cloud9living.com/company/about-us> (accessed in April 2012)

⁵⁰ http://www.xperiencedays.com/about_us.asp (accessed in April 2012)

⁵¹ http://en.wikipedia.org/wiki/Experiential_gifts (accessed in April 2012)

The experience gift industry in Portugal

Fig. 5: Players in the experience gift industry in Portugal

Players	Comments
	<p>In Portugal, <i>A Vida É Bela</i> was founded in 2002 and was the first experience gift company.⁵² Nevertheless, after this pioneer, and current market leader with 84% market share⁵³, more relevant companies entered in the Portuguese market, namely <i>Smartbox</i>, <i>Coolgift</i> and <i>Odisseias</i>.⁵⁴</p>
	<p><i>Smartbox</i> (10% market share in Portugal⁵⁵) is a French company with presence in 21 countries (France, Belgium, United Kingdom, Ireland, Austria, Luxemburg, Switzerland, Germany, Italy, Portugal, Spain, Netherland, Denmark, Sweden, Australia, US, Canada, Brazil, Mexico, China and Japan). Globally, the company has more than 3 million sold boxes and 500 million Euros of revenues.⁵⁶ The company is in Portugal since 2007, in 2008 sold 3,5 million Euros and in 2009 doubled the sales.</p>
	<p><i>Odisseias</i> (4% market share in Portugal⁵⁷) is a Portuguese company launched in 2005. Thanks to experiences since 24,90 Euros and to the new distribution channels (online store, physic experience store in Oeiras, Lisbon and several sales points all over the country), the company reaches growth of 400%/year.⁵⁸</p>
	<p><i>Coolgift</i> (2% market share in Portugal⁵⁹) was a project from the brand “Lifecooler – Guia da Boa Vida”⁶⁰, the largest leisure and tourism portal in Portugal, winner of the National Tourism Award in 2006. The Lifecooler and Coolgift are properties of Sítios, SA, a Portuguese company that aims to value the national touristic resources.⁶¹</p>

⁵² <http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu> (accessed in April 2012)

⁵³ http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

⁵⁴ Information given by *A Vida É Bela* about the competitors.

⁵⁵ http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

⁵⁶ http://www.smartbox.com/pt/?menu=static&content=who_are_we (accessed in April 2012)

⁵⁷ http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

⁵⁸ Barros, Mariana Correia de (05/03/2010), “Turismo de Experiências: mercado está a crescer e aumenta as vendas em tempos de crise”, *Diário de Notícias*

⁵⁹ http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

⁶⁰ “Lifecooler – Good Life Guide” in English.

⁶¹ <http://www.lifecooler.com/coolgift/staticRedirect.aspx?id=100006> (accessed in April 2012)

The general trend of the industry is a continuous growth, and according to the tendency of the same industry in other European countries, the Portuguese experience gift market has a lot to grow yet. One of the best examples is France case where data from 2010 indicates the experience gift represents 4% of the entire gift market, whereas in Portugal it represents just 0,8%.

Although, the shy percentage of the experience market in the gift industry, the concept was well accepted by the Portuguese. Even during a crisis period the sector does not suffer that much, companies increased the sales, and in 2009 there were companies in this sector that increased 400%.

The consumers seek mainly to relax and to escape from the daily routine, but also new experiences as activities with adrenaline and adventure.

In Portugal, the expansion of the experience gift industry brought several advantages that boosted the market in terms of innovation, new ideas and competition. These companies helped to develop the national tourism and small companies within the country as small rural hotels, radical or sport activity groups and gourmet products companies.⁶²

⁶² Barros, Mariana Correia de (05/03/2010), “Turismo de Experiências: mercado está a crescer e aumenta as vendas em tempos de crise”, *Diário de Notícias*

3) Methodology

The first part of the present thesis is a chapter with a *Literature Review* written taking into account online information, reports from the university online data base and some books that can be found at the end in the *References* chapter.

The following *Case-study* chapter presents the case of *A Vida É Bela*, so the research appealed some direct contact with the company, namely with Margarida Reis and Tiago Machado, who gave me all the information I needed through short interviews. Moreover, the case-study was based on information taken from *A Vida É Bela*'s website and from news about the company and the industry.

The *Teaching Notes* chapter aims to analyze the exposed case, giving to the professor some highlights to better study the case. It is the result of a deep study of the case and the main conclusions taken from the research about the topic. The analysis is based on frameworks, the case itself and extra information taken from the research but not mentioned directly in the case.

4) Case Study: *A Vida É Bela*: selling dreams with experience marketing

4. 1.) Introduction⁶³

*“The moments of success are more difficult to manage. When we are down you don’t have that much to lose. I am an optimist. I never see a difficulty without seeing an opportunity.”*⁶⁴ António Quina (**Exhibit 1**)

In 2001 the Twin Towers in New York fell, in Portugal the government of António Guterres was resigning and the world was diving in a stage of fear and mistrust.

Meanwhile, António Quina, a Portuguese managing partner of an advertising company, was dealing with the most difficult days of his life: laying off 22 employees in less than 24 hours. After that he lost his job as well. *From virtually rich, I became really poor.* We can read in an interview he gave later.⁶⁵

Defined as a persistent and resilient man, António Quina did not give up; inspired by the Italian movie “Life is beautiful”⁶⁶ from Roberto Benigni he learnt how to minimize the problems. Unemployed but with a non-stop mind, ideas started to come up. Using his know-how about customer loyalty programs, where the clients collect something in order to purchase another thing, he decided to reinvent this concept.

Step by step, António Quina set up a business of selling experience gifts in Portugal, by creating in 2002 the company *A Vida É Bela*.

Nowadays, António Quina is the CEO of *A Vida É Bela*, from 6 employees the company employs today more than 100 people⁶⁷, has more than 2.500 partners in Portugal, exceeds 50 million Euros⁶⁸ and is clearly market leader. With a disruptive concept, *A Vida É Bela* was born when the Portuguese experience gift market was non-existent.

In 2005, the first store was opened in Lisbon; in 2006, the company launched the business in Spain and in 2009 in Brazil. In Spain the concept was a success with a huge receptivity by the

⁶³ All information of this section comes from ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís (2005), *Gestão de Experience Marketing*, Quimera Editores, Lda.; <http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu>; http://www.jornaldenegocios.pt/home.php?template=SHOWNEWS_V2&id=468869 (both accessed in April 2012).

⁶⁴ <http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu> (accessed in April 2012)

⁶⁵ <http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu> (accessed in April 2012)

⁶⁶ *A Vida É Bela*, in Portuguese; *La Vita è Bella*, in Italian.

⁶⁷ <http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu> (accessed in April 2012)

⁶⁸ http://www.jornaldenegocios.pt/home.php?template=SHOWNEWS_V2&id=468869 (accessed in April 2012)

consumers. *A Vida É Bela* definitely broke the idea that Portuguese brands cannot succeed beyond borders.

Obviously not everything went well. The company has had a tough path with some obstacles: at the beginning did not realize what was the target, failed in the first time to commercialize in kiosks and the internationalization in Brazil has been really difficult. However, even so *A Vida É Bela* continuous believing Brazil could be in 5 years the biggest market they have and their main revenues source.⁶⁹

⁶⁹ <http://imagensdemarca.sapo.pt/emissoes/tv/a-vida-e-bela/> (accessed in July 2012)

4. 2.) The origins of *A Vida É Bela*

*“When I was a kid my goal was to make different things. (...) Today I am a creator of business.”*⁷⁰ António Quina

António Quina attended the law school of Catholic University and in 1990 he created the first nautical magazine in Portugal called *Vela e Náutica*⁷¹. Quina was also product manager in *Pescanova*, responsible for the activity in Portugal of Carlson Marketing Group in 1996 and responsible for the creation of PMK, a marketing agency.

In 2002, António Quina founded Maritz Marketing and structured the company inspired by the movie “The Game” by David Fincher, where the main character, a grumpy business man, receives from his brother a card as birthday gift, representing the gateway of a bunch of emotions through an unknown game.

After the fusion of his previous company of relationship marketing with FCB, which resulted on the company Digital Branding, Quina felt the need to invest in a new concept somehow.

The starting point was thinking about variations of the relationship marketing in order to mark the difference and to stand out in the market. So, if the consumers and their opinions are basilar topics for companies, providing sceneries to be experienced by them is definitely a way to transfer advertisements’ emotions to marketing. Thus, formatted emotions, as experiences, were exactly the core concept that António Quina was trying to develop. The entrepreneur knew it would be the future, but at that point he did not figure out yet a way to turn this starting point into a profitable business.

From his experience he already knew that internationally the concept was already developed, especially in United Kingdom, while in Portugal the market was unexplored. For that reason, a business that would enable brands to transfer systematic and coherently their values and positioning through pacific and lived emotions, seemed a great opportunity to enjoy. In fact, according to his professional experience, he knew this market had a bunch of opportunities to exploit; more and more consumers tend to purchase not only based on their rational choice but also following their emotions.

⁷⁰ <http://blog.avidaebela.com/2011/03/entrevista-antonio-quina-presidente-da.html> (accessed in May 2012) Focus, November 2010.

⁷¹ Sailing and Nautical, in english.

4. 3.) Life can be beautiful: chasing dreams towards endless experiences

“Today people see there is no limit to dreams and to the experiences.” António Quina⁷²

In 2002, in the middle of an economic crisis, António Quina went to the market with his new business concept based on experience marketing. It was a difficult journey. *I thought the introduction would be difficult. Every time I mentioned MIG flights, helicopter baptisms, massages or Spas as ways of communication and awards, everybody thought I was crazy.*⁷⁴

Experience

Mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun.⁷³

But, why selling dream experiences could not be an excellent business opportunity?

At some point a bank manager lent him 40 thousand Euros with the counterpart of getting rid of a silver cutlery. This proof of trust was the drive impulse Quina needed to believe in his business. The next step was the contract of some employees; Quina invited some old unemployed colleagues and per 300 Euros rented a small office in Lisbon to be the official meetings room.

After conquering suppliers trust, he got ready to collect progressively a bigger offer to be used in different segments. As a result, helped by six colleagues with diverse backgrounds in marketing and advertisement, António Quina created an experience portfolio guide with more than a thousand experiences called *A Vida É Bela*, with which visited some first potential clients.

4. 4.) The first steps in the market: looking for clients⁷⁵

Quina presented his idea to the responsible of loyalty marketing of BP⁷⁶, Eng.º Pedro Oliveira, who actually wanted to make the BP Premier Plus program more emotional. They reached an

⁷² <http://www.youtube.com/watch?v=ouCSsadL3Uk&feature=relmfu> (interview with António Quina in Sic Notícias 2008).

⁷³ Sundbo, Jon (2008). *Creating Experiences in the Experience Economy*. Edward Elgar Publishing Limited

⁷⁴ ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís, *Gestão de Experience Marketing*, Quimera Editores, Lda, 2005.

⁷⁵ All information of this section comes from ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís (2005), *Gestão de Experience Marketing*, Quimera Editores, Lda.; <http://conferenciasmarketing.blogspot.pt/2010/03/quem-e-antonio-quina.html>; http://www.meiosepublicidade.pt/2002/12/13/maritz_lana_experiencias/ (accessed in April 2012)

⁷⁶ A British oil and gas company.

agreement about the support of BP to the experience guide *A Vida É Bela*, introducing experiences of the BP Premier Plus catalogue. This first bet of trust by BP was not only the pull moment for experience marketing in Portugal, but also an essential stimulus for *A Vida É Bela*.

In January of 2003, the marketing magazine Maritz, owned by António Quina, launched in attaches the experience guide *A Vida É Bela*, available in BP stations. This guide had as target the final reader and companies, incorporating the corporate loyalty or motivational program. It was organized in nine different categories: Top, Wheels, Air, Water, Earth, Live, Sins, Escapes and Last Minutes. In each edition it would be proposed roughly 550 options driven to several ages and with different prices.⁷⁷

Besides BP, Banco Best was also one of the first clients, when Pedro Sousa Cardozo, account director at Euro RSCG, scheduled a meeting and presented a briefing. He wanted a different prize for a promotion of credit cards. At the end, the experiences he chose were a MIG 21 flight and a Formula 1 stage.

Another relevant first client was Unicer which looked for a summer campaign with completely different prizes.

Vodafone, known as a dynamic and irreverent company, also looked for *A Vida É Bela* experiences, whose proposals fit perfectly their outlines. **(Exhibit 2)**

Slowly, the experience marketing concept was reaching more and more triumphs. Clients believed in this project and were investing in it; actually they started to prefer *A Vida É Bela* experiences as opposed to the traditional awards.

Experience marketing was becoming a trend among the best marketers in Portugal.

⁷⁷ http://www.meiosepublicidade.pt/2002/12/13/maritz_lana_experiencias/ (accessed in April 2012)

4. 5.) The growth and the success

In 2002, *A Vida É Bela* started as an online brand, mostly directed to the corporate segment. At the very beginning, António Quina adopted a personal selling way with a close relation with the clients, visiting himself each corporate client individually. However, since the business was achieving more and more success, in November 2005 the company opened the first experience selling store in Restelo (Lisbon), starting to sell to the individuals' segment. (**Exhibit 3**)

In 2006, thinking outside the box *A Vida É Bela* places the business beyond the small Portuguese market boundaries. *A Vida É Bela* launched in the internalization process, expanding to Spain, where the business had a huge success, and in 2009 to Brazil.

Concerning the Portuguese market, after the physic store in Restelo, the company adhered some points of purchase across the country, which enabled an interesting growth (**Exhibit 4**). As a result, *A Vida É Bela* went from a corporate and web based brand to a mass market brand, placed in different channels.

Despite the web distribution channel has been rising (as miao.pt, pmelink.pt, ticketline.com and fnac.pt), the modern distribution, in large supermarkets chains and in specialized retails (as Continente⁷⁸, Auchan, FNAC⁷⁹, Worten⁸⁰, Media Market, *Rádio Popular*, People's Phone, Rede Payshop), has a much higher weight, being the main responsible for the current sales. Simultaneously, the traditional media (as radio, press, outdoors, ATM) has projected the company to another level of awareness.

As António Quina strongly believed in the potential of the business of selling experiences, it could not end in the website, stores or guides.

"We believe we are creating the embryo of stores that in the future will be part of our daily routine – the Experience Stores. They will be the travel agencies' evolution. We feel really pioneers. As Mr. Abreu felt 150 years ago when he opened the first travel agency and anybody understood the concept." António Quina⁸¹

⁷⁸ Hypermarkets' chain.

⁷⁹ Entertainment retail chain.

⁸⁰ Retail specialized chain in electronic goods.

⁸¹ http://www.meiosepublicidade.pt/2005/12/09/Ant_nio_Quina_director_de_A_Vid/ (accessed in April 2012).

On the other hand, the company has a flexible distribution channels policy and often increases tactically the sales points, namely during the peak sales period, which has been contributing for an interesting sales evolution.

An example is the scenario during the Christmas, since *A Vida É Bela*'s business are gifts, the demand increases a lot during this period. In December 2010, the company achieved a 90% market share, whereas the usually market share is less 10%⁸². In addition, the majority of the sales are in December. As consequence of the huge demand during the Christmas, the company sets more kiosks to reinforce the offer.⁸³ **(Exhibit 5)**

Beyond Christmas, there are other special days which the company finds opportunities to launch exceptional offers and to increase sales, meaning S. Valentine Day, Mother Day or Father Day.

⁸²<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012).

⁸³<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012).

4. 6.) The concept behind *A Vida É Bela*: experience marketing

“Experience marketing is an endless road, we know the path, the route, but we do not know what we will find in the arrival.” António Quina (2008)⁸⁴

The experience marketing concept was definitely the bottom line of *A Vida É Bela*’s business. In 2002, when the company was launched, the concept did not exist in Portugal yet.

So, what motivated António Quina to bet on this concept?

Quina had a lot of experience working with relationship marketing, loyalty and motivational programs, which enabled him to be aware about the needs and to figure out some market opportunities. He saw a deep saturation of the physical and traditional gifts’ market, what geared him to plan an innovated proposal.

“From the shy experience we began four years ago, experience marketing has been transforming in a wide practice used more and more by big companies to promote and position brands, companies such as Vodafone or Super Bock.” António Quina⁸⁵

On the other hand, the entrepreneur perceived that the evolution of relationship marketing and loyalty programs would land on experience marketing, in a way to customize and to reinforce companies’ relations with clients appealing for the consumers’ emotions through experiences, a determinant factor for the brand positioning and image.

“When I created experience marketing in Portugal I was looking for the biggest reason for my future happiness, I wanted a business which attracted me, conveyed emotions to others and capable to give to brands a reason to concede feelings. Experience marketing was a breath of fresh air to consumers, but also had characteristics really interesting and attractive to brands. In fact, the experiences offer personality to brands. The entire use of experiences allows the development of innovative loyalty programs, for instance at an internal marketing level as incentive programs or award for the good performance.” António Quina (2008)⁸⁶

⁸⁴ <http://www.youtube.com/watch?v=ouCSsadL3Uk&feature=relmfu> (interview with António Quina in Sic Noticias 2008).

⁸⁵ http://www.meiosepublicidade.pt/2005/12/09/Ant_nio_Quina_director_de_A_Vid/ (accessed in April 2012).

⁸⁶ <http://www.youtube.com/watch?v=ouCSsadL3Uk&feature=relmfu> (interview with António Quina in Sic Noticias 2008).

4. 7.) For whom is *A Vida É Bela* selling?

Experiences let the uniqueness sense of living something exclusive, the shake of emotions break up the standardized pattern of buying a simple product, building at this stage a connection between the traditional binomial relation of selling a product and buying it. The market is constantly asking for changes and companies as essential market drivers have the obligation to take action. Hence, a possible way to do so is establishing a direct physical or virtual contact with consumers.

In that sense, the corporate segment was the first to be attacked by *A Vida É Bela*, selling mostly in a context of loyalty and motivational programs. Later, drove by the great success in this segment, the company framed strategies to sell directly to the individual segment, which one *A Vida É Bela* completely revolutionized bringing a new solution for the gift market: not only a different type of gift but a more open gift to be enjoyed as people prefer.

The highlight is the huge triumph experience marketing was for both segments, even if nowadays the individual segment leads the sales.

The consumer type is usually urban individuals, from medium class, well-educated audience, young aged under 25 – 45, who wants to escape from the daily routine⁸⁷. According to the article “Life in a Box” about life experience companies in the Portuguese market, 60 percent of buyers are women and the majority who buys is not the final user of the package, making hard to know who the end-user is.⁸⁸

4.8) Knowing the clients as key-factor to offer great experiences

Beyond being related to the concept of experience marketing, *A Vida É Bela* has to ensure the development and the creation of individual relations with clients if the company wishes to offer a great service. Indeed, the most important are the creative ways to arouse customers’ curiosity and to establish emotional relations.⁸⁹

Therefore, *A Vida É Bela* invests a lot in social networks, namely Facebook where they have more than 120 000 fans and interesting rates of interaction. The main goal is to create and to

⁸⁷ <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

⁸⁸ PENTEADO, Filipa (2010), “Life in a Box”, People & Business.

⁸⁹ ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís, *Gestão de Experience Marketing*, Quimera Editores, Lda, 2005.

promote relations between the followers and the brand, in order to use this social network to get closer to clients and to know them better. It is a vital step to promote a positive image through the followers, who the brand wishes are their best ambassadors.

A Vida É Bela has resources specially allocated to work with Facebook and has 3 employees only dedicated to the task of answering emails from the client support line. The followers and fans have access to unique advantages as a privileged channel to communicate directly with the brand. They are the first to know about the last news, may participate in activities developed by the company and win prizes.⁹⁰

According to the number of the website monthly visitants (roughly 110 000⁹¹) and Facebook followers (roughly 120 000), *A Vida É Bela* enjoys a favorable position comparatively to the competitors.⁹²

⁹⁰ Information given by Margarida Reis, Marketing Director *A Vida É Bela*.

⁹¹ Information given by Margarida Reis, Marketing Director *A Vida É Bela*.

⁹² Facebook followers at 17 April 2012: *A Vida É Bela* (124 612), *Odisseias* (95 957), *Smartbox* (30 796) and *Coolgift* (3 733).

4.9) *A Vida É Bela*'s gifts: living the experience

*When was the last time you dared to do something or you tried something new or something for the first time?*⁹³

A Vida É Bela, a 100% Portuguese company, provides unique and pleasurable experiences, which give to life a special flavor and make people happy giving to António Quina a huge pleasure. The differentiation is mainly centered on the offer direction. The company is much more than a new tourism and leisure segment; it is an emergent sector in a global scale.

Furthermore, *A Vida É Bela* has intrinsic the innovation concept, introducing in the market an innovation. Selling experiences seemed an unimaginable business, so a great business opportunity too. The company works directly with other companies either partners or clients, thus being an innovative company is an incentive for others to be innovative as well. Beside, *A Vida É Bela* is launching constantly new experiences, driving a Ferrari in Estoril circuit by 149, 90 Euros is an example.

*“The brand A Vida É Bela has an innovation DNA. In Portugal we have not only launched a brand, but also a market segment inexistent so far. Therefore, we have been developing an innovation dynamic and as consequence contributing for the innovation of our partners.”*⁹⁴

Margarida Reis (**Exhibit 1**)

Dreams can be sold and *A Vida É Bela* proved that, putting experiences in a box and selling them. (**Exhibit 6**)

The purchase process has simple features: a customized voucher, a specific number representative of the experience demanded and an experience guide about the chosen theme. To help the choice each page of the experience guide has a photo, a brief summary explaining some experience details, the partner contact and information about local facilities.

A gift, a validity and several choices' alternatives. The client picks an experience from the guide and schedule directly with the partner. In the scheduled day the client just has to deliver the voucher to the partner and everything is ready to enjoy the gift.

⁹³ ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís, *Gestão de Experience Marketing*, Quimera Editores, Lda, 2005.

⁹⁴<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

Each pack experience gift has on average 170 experiences with high geographical coverage ensuring national actions. In general, these experiences are grouped into packages according to specific themes.

Besides this modality, there is also “*à la carte*” experiences, which clients can buy a single experience knowing exactly what they are looking for. For example, 30 km go-cart race instead of a package with items, as 100 radical experiences.

All the experiences are carefully thought and negotiated with other companies that provide the experiences and with whom *A Vida É Bela* has partnerships (partners). Hence, consumers buy experiences which otherwise would be impossible to access under the same conditions as *A Vida É Bela* offers.

In general, the medium gifts price varies between 25 Euros and 150 Euros; *A Vida É Bela* facilitated the access to incredible experiences at a lower price. For instance, a low cost balloon ride by 75,90 Euros or low cost helicopter flight by 70 Euros. But, these experiences vary a lot, *A Vida É Bela* might offer not only balloon rides, but also SPA treatments, gourmet meals, race-car driving and off-roading in a dune buggy.

In the range of products for 2011-2012 are 56 gifts, being the larger range in the market with gifts since 15,90 Euros (among direct competitors), covering 6 different themes: *accommodation* (can be booked through an online platform), *SPA*, *adventure*, *gourmet*, *personal* and *multi-activities* (**Exhibit 7**).

Curiously, in 2009 the theme *accommodation* was the most demanded and with the best growth potential, followed by the theme *SPA*.

4.10) The power of the brand *A Vida É Bela*

*“We did not receive any request we could not perform so far.”*⁹⁵ António Quina (2008)

But what is the true brand power of *A Vida É Bela*?

A Vida É Bela emerged during a pessimistic period, when launching a company seemed a completely foolish action, António Quina was prepared. He admitted that seemingly it was the worst time to start a business, unless the business was able to reflect a sign of optimism.

So, how would it be possible? First, the company's name appeared as a kind of rescue from the whole black hole. *A Vida É Bela*, Life Is Beautiful, carries on an experience itself, transmitting to the consumers a positive and beauty perspective of life. The name is connected with the entire experiential action of the brand itself, suggesting its own brand positioning. The promise that life is indeed beautiful and such beauty is provided by the amazing experiences the company is offering, was the bottom line of the name selection process for António Quina.

Nowadays, knowing the power of brands is enormous, *A Vida É Bela* is trying to improve his value, transforming the own name into a company's asset.

Thinking about the business itself, it has an advantageous position because it appeals for emotions and offers remarkable experiences to ordinary people.

Margarida Reis pointed the brand value in the market associated with the distribution channels as one of the main differentiator drivers, enabling the creation of a strong image, knowledge and awareness. As a result, since 2002 *A Vida É Bela* is perceived as the first experience gift company in Portugal, which offers the opportunity to live experiences that most of the time just are in the imagination of each one of us.

The challenge of *A Vida É Bela* is make the impossible possible. The company is selling much more than simple experiences, *A Vida É Bela* is a true dreams' seller, becoming accessible to everyone moments that otherwise they could not live. The range of experiences may be the simplest to the most extravagant: a dinner in a fancy restaurant, a wine tasting, a space travels and renting islands.

*“We organized a trip to a desert island and we rented the island to a group of friends who lived there during 4 or 5 days doing star's life.”*⁹⁶ António Quina (2008)

⁹⁵ http://www.youtube.com/watch?v=fSIvAB0x_2U&feature=relmfu (interview with António Quina in RTP1 in 2008).

But curiously if at the beginning the propose was to sell experiences to offer, more and more the voucher is being used by the own buyer.

Additionally, the correct alignment between the placement of the distribution channels and the wished image also contributed to the current *A Vida É Bela*'s brand power. In 2005, the same year when the company opened the first experience store in Lisbon, it was invested 1 million Euros in image, advertisement and marketing to communicate the image renew and to enlarge the share of the corporate segment.

Furthermore, to reinforce the brand value, the entire *A Vida É Bela*'s strategy is focused on the enlargement of the products' range and on the promotion of the best adjustment with the market. So, to consolidate the brand *A Vida É Bela* created some new brands with own identities, different value proposition and positioning. **(Exhibit 8)**

In 2009, the company launched three more brands named *Enjoy*, *Freepass* and *WeekBreak*. These brands aimed to complement the offer attracting more segments and to cover more ages besides the 25 – 40/45 aged consumers. Each one has his own identity through own websites, being sold in the modern distribution. The brand *WeekBreak* also meant the use of the travel agencies, which were truly receptive before *A Vida É Bela*'s proposals. Recently in 2011, *A Vida É Bela* launched the new brand A2. A2 is a really particular brand for *A Vida É Bela* because of the meaning and the A2 backstage story. The base concept is the acquisition of one experience for two by the price of one, leveraging the concept in the price factor. The brand was launched by the couple, António Quina and Andrea Martins, the name A2 results from the join of the first letter's names of both and the signature "gifts for two" reinforce the emotional identity of the brand. It was the first time a brand created by *A Vida É Bela* was launched at the same time in Portugal, Spain and Brazil. The first range was named "A2 por 1"⁹⁶, which integrate the products "A2 por 1 Hotéis com Encanto"⁹⁸ (with a selection of 100 hotels), "A2 por 1 Restaurantes com Charme"⁹⁹ (with the proposal of 70 restaurants), "A2 por 1 SPA's de Sonho"¹⁰⁰ (with 70 treatments or massages in 70 different spaces). Now all options are available in the Portuguese and Spanish market, whereas in Brazil there is only a box "A2 por 1 Restaurantes com Charme"¹⁰¹ in Rio de Janeiro. However, António Quina aims to enlarge the A2 offer to other experiences.

⁹⁶ http://www.youtube.com/watch?v=fSIvAB0x_2U&feature=relmfu (interview with António Quina in RTP1 in 2008).

⁹⁷ "A2 for 1", in English

⁹⁸ "A2 for 1 Beautiful Hotels", in English

⁹⁹ "A2 for 1 Charming Hotels", in English

¹⁰⁰ "A2 for 1 Dreaming SPA's", in English

¹⁰¹ "A2 for Charming Restaurants", in English

Another extremely important factor for the brand value was the surprise effect the brand had in the market, bringing a new to the gift market in Portugal. The concept of gift suffered an important revolution. Therefore, a particular first mover advantageous is the recognition that *A Vida É Bela* won over the years, culminating in 2011 in the nomination of the brand as product of the year. **(Exhibit 9)**

Hence, to be the best in the market *A Vida É Bela* has to ensure the right resources that conduct the brand's operations. The brand image is truly compromised by the human resources' performance, especially by who has the direct contact with the clients. So, it is crucial to bear in mind that the employees have to be aware and previously be trained about the main guidelines. For that reason, the control is enormous and everything should be done to guarantee a fantastic purchase experience. **(Exhibit 10)**

In terms of numbers, due to the company's growth, *A Vida É Bela* set up a human resource strategy to follow the general growth strategy. In 2010, the company increased 56%¹⁰² the number of human resources, in order to follow the growth tendency, and to bet on a more aggressive distribution and creation of new brands.

¹⁰² <http://www.marketeer.pt/2010/06/09/a-vida-e-bela%C2%AE-cresce-66-em-recursos-humanos/> (consulted in April 2012)

4.11) *A Vida É Bela* in Portugal

The marketplace where *A Vida É Bela* operates is really wide, the indirect competitors are difficult to set up and the direct competitors are a permanent threat. Anything can be offered, such as clothes, perfumes, books, CDs or even travels, and more conservative consumers won't change these gift choices for something more innovative and different. Concerning so, the experience gift companies aim to achieve who look for a different gift option.

Currently, in Portugal besides *A Vida É Bela*, others experience gift companies came up in the market. The international French company *Smartbox*, *Coolgift* and *Odisseias* play also in the Portuguese market; although *A Vida É Bela* is since the beginning the market leader. (**Exhibit 11**)

The experience gift business came up exactly during the experience economy period, where consumers value the most their experiences and the taken emotions.

Globally, even in a crisis period the leisure industry is having a great evolution. Even if, the incredible evolution of the experience gift industry in Portugal, it has a lot to grow comparing to more mature markets as the French example. (**Exhibit 12**)

Focusing on *A Vida É Bela*'s experience in the market, it is evident a high sales volume of vouchers and consumers buy not exclusively to offer but also for their own use.¹⁰³

Notwithstanding the crisis, it did not affect the company's performance that much. Although, in the corporate segment the budgets are lower, it implies a more rational management, meaning companies became more careful about investments and bet on which gives a higher payback. On the other hand, the brand adapted itself to the crisis, launching low cost products' range and new brands directed to specific targets.¹⁰⁴

The strategy of 15,90 Euros experiences in 2011 was an example of such adaptation to the current market conditions. The offer 2011/2012 was an optimization of the previous range of products with more activities and experiences to be used not by one but by two. For instance, in the SPA offer, it was created two new gifts: "Exotic SPA" and "Surpresas SPA a Dois"¹⁰⁵. In the gourmet segment the brand is selling "As melhores degustações"¹⁰⁶, "As melhores Tascas e Petiscos"¹⁰⁷ and "Jantar Fora"¹⁰⁸. In the accommodation segment *A Vida É Bela* enlarged the

¹⁰³ António Quina http://www.meiosepublicidade.pt/2005/12/09/Ant_nio_Quina_director_de_A_Vid/ (accessed in April 2012)

¹⁰⁴ <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

¹⁰⁵ Surprise SPA for two, in English

¹⁰⁶ The Best Tasting, in English

¹⁰⁷ The Best Taverns and Snacks, in English

offer and created three new gifts for the collection, betting in hotels to date or to organize family programs, and the package less than 40 Euros for two named “Escapadinha”¹⁰⁹. But this offer also brought some advantages for the clients, for example the late check out and the discounts till 50% in extra nights.

In addition, *A Vida É Bela*’s offer does not cover only the national borders; the brand also provides gifts to Spain, Germany, Russia, Hungary, Croatia and Italy, namely the following packs: “Hotéis de Charme em Família”¹¹⁰, “Fins-de-semana de Charme com jantar”¹¹¹ and “Hotéis de Charme com jantar”¹¹².

But, because of the crisis, *A Vida É Bela* had to relocate services to Spain and then Brazil. At some point, the internationalization of the company helped to surpass the sales breaking in Portugal and safeguard the business.

¹⁰⁸ Dine Out, in English

¹⁰⁹ Getaway, in English

¹¹⁰ Charming Hotels in Family, in English

¹¹¹ Charming Weekends with dinner, in English

¹¹² Charming Hotels with dinner, in English

4.12) Spreading the concept worldwide

*“Since the beginning we face the international expansion as a natural consequence of the growth. The huge potential of this sector cannot stay only into the national or Iberian boundaries.”*¹¹³ Margarida Reis (2009)

Nowadays, being global is not an option anymore but a need and an indispensable step to ensure the survival of any company. Since the very beginning António Quina knew the Portuguese market was too small and limited, and his major goal was to affirm the company as a worldwide leading player, so that’s why *A Vida É Bela* has the sights set beyond the borders. Simultaneously, the globalization factor led to an higher exposure and as the provided experiences extended outside the boundaries, *A Vida É Bela* is not exclusively a Portuguese company.

The internationalization process of *A Vida É Bela*, meaning when the company was placed physically outside Portugal, began with the launch of the business in Spain (2006) and in Brazil (2009), corresponding to an investment of roughly 1 million Euros¹¹⁴.

Although, the difficulty to find accredited human resources, to deal with different legislation and to find the right partners, the placement in new markets enabled *A Vida É Bela* to find an higher complementary experience offer, hiring more qualified professionals and an easier flow of clients.

*“Internationalization is the unique way Portuguese companies have to grow, because the dimension of our market is too small.”*¹¹⁵ António Quina

4.12.1.) *La Vida Es Bella – A Vida É Bela* in Spain

The exportation of the concept began when Tiago Machado (**Exhibit 1**) opened an office in Spain, then all the structure and mechanics of *A Vida É Bela – Spain* started to be made from there. Even though the vouchers’ market was more mature in Portugal



¹¹³ <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

¹¹⁴ <http://www.bidinamica.com/Marketeer-Fev%2007.pdf> (accessed in April 2012)

¹¹⁵ <http://saldopositivo.cgd.pt/empresas/a-vida-e-bela-do-lado-de-la-da-fronteira/> (accessed in July 2012)

and the Spanish market was more competitive and aggressive, Spain meant a six time bigger market, offering a huge bunch of opportunities and future growth which could reinforce the *A Vida É Bela*'s brand power worldwide.

Tiago Machado has a degree in Management by the Portuguese Catholic University and during his professional life he gained a wide experience about communication campaigns, promotions, and launch of new products, merchandising and trade marketing. His career was developed around Marketing and Sales in some Portuguese multinational companies, sectors leaders of insurance, cinematographic, communication and high-consumption products.

In 2006, Tiago Machado was the main responsible for the exportation of *A Vida É Bela*'s concept to Spain, with the name *La Vida Es Bella*, being today the local brand responsible.

*"I launched the concept in Spain knowing Spanish people are much funnier than Portuguese. They are more available and they have more money."*¹¹⁶ Tiago Machado

Quickly the business became a success, mostly to the corporate segment as a marketing tool. On the other hand, as the gift sector was saturated with the existent physic proposals, *A Vida É Bela*'s options of selling feelings hardly forgotten was the right missing piece.

Overall, the type of consumers does not differ from the Portuguese; in fact, *everybody enjoys leisure gifts*, which made the internationalization task easier.¹¹⁷

The brand has a great geographic coverage, offering several options, being placed in all the autonomous communities and in the main distribution channels. *We want everyone may have the possibility to give an experience.*¹¹⁸

As in Portugal the business is divided in two segments: corporate and retail. There is a sales team selling to companies and another one that follow the linear in the large distribution, such as ECI,VIPS, FNAC, OPENCOR.

In 2007, *La Vida Es Bella* was distinguished by the Spanish economic diary newspaper "El Economista"¹¹⁹ as one of the most original business in that year.

¹¹⁶ <http://www.regalarexperiencias.es/wp-content/uploads/2011/01/Elmundo-entrevista1.jpg> (accessed in April 2012)

¹¹⁷ Tiago Machado in <http://www.lideresenservicio.com/actualidad/tiago-machado-director-general-de-la-vida-es-bella/> (accessed April 2012)

¹¹⁸ Tiago Machado in <http://www.lideresenservicio.com/actualidad/tiago-machado-director-general-de-la-vida-es-bella/> (accessed April 2012)

¹¹⁹ The Economist, in English.

One year later, *A Vida É Bela* was already the Iberian market leader in the sector. The company closed the year with an increase of more than 250% in the Portugal and Spain.¹²⁰ In 2010, *A Vida É Bela* sold 37 million Euros only in the Iberian market and in 2011 47 million Euros.¹²¹

An important fact is that this Iberian vision focused on the growth's expectancy of the Spanish market, helped the company to smooth the effects of the current Portuguese crisis. But also the numbers could confirm so, in 2008 the cumulative sales of each month was 2,5 higher than the previous year. The Portuguese market is in fact headmost; however, no matter the growth in the Spanish market it will always be higher than in the Portuguese, because the market dimension is bigger. As Margarida Reis stated *the difference between the Portuguese and the Spanish is in the Spanish market itself*.¹²²

On the other hand, this amazing Iberian growth could be justified for the enlargement of the sales channels, the modern distribution, the own kiosks in Sonae Sierra centers and the careful partners' selection strategy reinforced the service quality the brand looks for.

More and more the vision of commercializing for a Portuguese and Spanish market was smoothing, indeed strategically it was better to admit the company was dealing with an Iberian unique market.

*"Increasingly we think about an Iberian market rather than national. Our goal is not to sell "X" in Portugal and "Y" in Spain, but "Z" in the Iberian Peninsula. Also the level of production and logistics make sense. The distance Madrid – Lisbon is the same as Madrid - Barcelona."*¹²³ Margarida Reis

Bearing in mind this exponential growth, the company improved its human resources namely increasing 100% in Spain only between September 2008 and May 2009 to follow the operations and the sales points.¹²⁴

As in Portugal the prices in Spain could vary since 15,90 Euros of a simple massage, until the participation during 8 months in a NASA project to go to the space which could cost around millions Euros. Actually, *A Vida É Bela* in Spain proved Spanish could be even more extravagant than Portuguese. Tiago Machado remembers some eccentric experiences such as

¹²⁰ <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

¹²¹ Information given by Margarida Reis.

¹²² <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

¹²³ <http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%99D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%99D/> (accessed in April 2012)

¹²⁴ <http://www.marketeer.pt/2010/06/09/a-vida-e-bela%C2%AE-cresce-66-em-recursos-humanos/> (accessed in April 2012)

the water rides to the Titanic on board of a small submarine, renting the Rolling Stone's member, Mich Jagger's island, flying a MIG or a marriage proposal and the farewell single in an helicopter flying over Madrid. Nevertheless, as in Portugal the majority of the Spanish consumers do not demand the most extravagant experiences, but the experience packs.

The satisfaction of the clients is visible for the low level of returns and spectacular growth. The success in Spain, after carrying the knowledge from the Portuguese market, has been huge and exceeded the expectations.

*"We transform the difficulties into challenges because we trust in our product, in our brand and in the new gift concept we have created. The reluctance has been the logics, considering that this was a new product, but once consumers meet they have not hesitated to bet on it."*¹²⁵ Tiago Machado

4.12.2.) A Vida É Bela – Brazil

In 2009, the brand was exported to Brazil attracted by the local market potential, economic growth and stability, higher purchasing power, more accessible and facilities to hire labor force, linguistic and cultural proximity.

In 2010, the company was placed in all FNAC stores. The gifts' categories that are sold are *SPA, Adventure, Personal, Gourmet, Hospitality* and *Multiactivities*, where the *SPA* and *Hospitality* are the most demanded.

Globally, it is expected a significant growth, the company will be relaunched in that market in order to implement a similar strategy as in Portugal.¹²⁶

But despite, the Brazilian market potential, *A Vida É Bela* is facing difficulties. The lack of experience was the main responsible.

*"When we went ahead in the market, we figured out that perhaps it was not exactly as we planned. It is good to be conscious that we may fail and then we have to raise."*¹²⁷ António Quina about his experience in the Brazilian market.

¹²⁵ <http://www.lideresenservicio.com/actualidad/tiago-machado-director-general-de-la-vida-es-bella/> (accessed April 2012)

¹²⁶ <http://www.publituris.pt/2009/07/15/a-vida-e-bela-chega-as-agencias/> (accessed July 2012)

¹²⁷ <http://saldopositivo.cgd.pt/empresas/a-vida-e-bela-do-lado-de-la-da-fronteira/> (accessed in July 2012)

4.13) Future Perspectives

*“The internationalization makes part of our plans, but always in a controlled and sustained way, without compromising the Portuguese market solidity and growth. We prefer to have a solid operation in the national market and then export. Opportunities won’t miss!”*¹²⁸ António Quina (2005)

Relationships are the most important for *A Vida É Bela*. *We do not want to be the biggest but the best ones.*¹²⁹ Therefore, the careful selection of partners to create synergies, the promotion of a great service and the innovative spirit, are essential drivers to continue to strive to be the best in the market.

Regarding the future, Margarida Reis is optimist, believing in 2012 the company will exceed the 47 million Euros in the Iberian market to roughly 67 million Euros, being the Spanish growth the main responsible. In the same year, the Marketing Director admits the desire of solidify the market share of 40% in Spain, generally valued in 100 million Euros.¹³⁰ In that moment, the internationalization goals for *A Vida É Bela* are the consolidation of the Spanish market and the growth in Brazil, despite not having a significant turnover yet.

Indeed, Brazil is a medium-term bet, hence in two years the brand wants to obtain a 25% market share. Despite being a very attractive market, it is a complex market and has a considerable geographic dimension, which requires some time and a huge financial investment.¹³¹

To the Portuguese entrepreneurs who face internationalization, António Quina advises:

*“Do not give up. Believe. It is hard, but what really makes the difference is the spirit you face the situation. For that reason, neither all the ideas transform into projects, neither all the projects transform into companies.”*¹³²

¹²⁸ http://www.meiosepublicidade.pt/2005/12/09/Ant_nio_Quina_director_de_A_Vid/ (accessed in April 2012)

¹²⁹ António Quina in <http://www.bidinamica.com/Marketeer-Fev%2007.pdf> (accessed in April 2012)

¹³⁰ <http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

¹³¹ <http://www.distribuicaoohje.com/news.aspx?menuid=13&eid=7098> (accessed in June 2012)

¹³² <http://saldopositivo.cgd.pt/empresas/a-vida-e-bela-do-lado-de-la-da-fronteira/> (accessed in July 2012)

4.14) Exhibits

Exhibit 1: Relevant elements for the case study

<p>António Quina</p>	<p><i>A Vida É Bela's</i> CEO and founder</p>		<p>Source: http://www1.ionline.pt/conteudo/52868-ser-despedido-foi-melhor-coisa-que-me-aconteceu (accessed in April 2012)</p>
<p>Margarida Reis</p>	<p><i>A Vida É Bela's</i> Marketing Director (Portugal)</p>		<p>Source: http://www.ambitur.pt/site/news.asp?news=21734 (accessed in July 2012)</p>
<p>Tiago Machado</p>	<p><i>La Vida Es Bella's</i> Manager (<i>A Vida É Bela</i> – Spain)</p>		<p>Source: http://www.ar-revista.com/ana_rosa/solidaridad/mi_trabajo_es_hacer_realidad_tus_suenos/la_vida_es_bella (accessed in July 2012)</p>

Exhibit 2: Example of a Corporate A Vida é Bela's client¹³³

When: October, 2004

Who was the corporate client: Vodafone.



The event's name: River Rave.

The event aimed: to motivate the treatment to individuals team and to encourage socializing with diverse activities. The company wanted to surprise the employees and the team was mostly young.

The event: two weekends with the same format: meeting at Melia Gaia Hotel, leaving to Gaia wharf, where got the boat "Dour Azul". There were prepared some activities, each person would pick what liked most (DJ workshop, cocktails workshop, tattoo, hairdresser, makeup, massage). After a trip through Douro, the group had a meeting. Then, after dinner they had some night animation with a rave on board. The following day the lunch was in Tromba Rija.

Exhibit 3: Experience store in Restelo (Lisbon) - street: Gonçalves Zarco, 21 D¹³⁴

Schedule: Monday till Friday, 10.30 am till 7 pm.



¹³³ ANDRÉS, Andreia, CAETANO, Joaquim e RASQUILHA, Luís (2005), *Gestão de Experience Marketing*, Quimera Editores, Lda.

¹³⁴ <http://www.ambitur.pt/site/news.asp?news=2765> (accessed in July 2012)

Exhibit 4: A Vida É Bela's sales in million Euros in Portugal (2008 – 2010) ¹³⁵

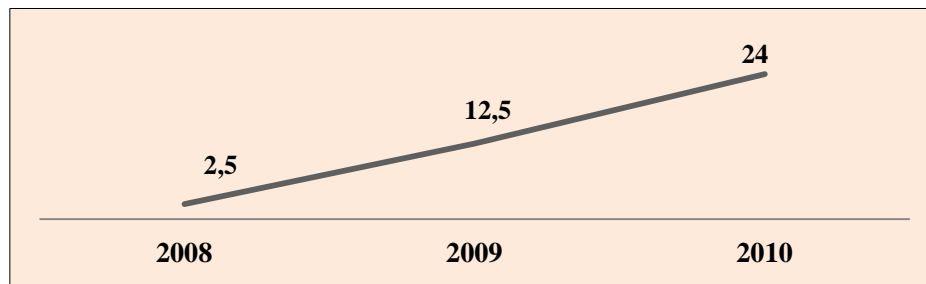



Exhibit 5: A Vida É Bela operations comparison between Christmas (peak sales period) and the rest of the year ¹³⁶

	The rest of the year	Peak sales period: Christmas
Market Share	80%	90%
Sales	-	More than 50% of the sales
Number of kiosks	20 kiosks	30 kiosks

¹³⁵ <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012)

¹³⁶ <http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

Exhibit 6: Example of A Vida É Bela's pack experience¹³⁷

Accommodation:			
SPA:			
Adventure:			
Gourmet:			
Personal:			
Multi-activities:			

¹³⁷ <http://www.avidaeBELA.com/> (accessed in July 2012)

Exhibit 7: The Range of products 2011/2012 of the experience gift market main players

Comparison of the number of gifts from the gamma 2011/2012 divided by gift prices vs categories																
(Note: each pack has X number of experiences) Source: Information taken from A Vida É Bela's employees formation guidelines																
		Main players (Portuguese)		Price ranges in Euros									TOTAL			
				15-35	35-55	55-75	75-95	95-115	115-135	135-155	155-175	175-195	195-215	215-235	235-255	by company
Categories	Accommodation	AVEB	37%*	3	4	3	3		5						18	42
		Smartbox		1	1	1	6		2		2				13	
		Coolgift		1		1	1		2						5	
		Odisseias			2	1	3								6	
	SPA	AVEB	36%*	3	3	1	2								9	21
		Smartbox		1	2		1	1		1					6	
		Coolgift		1	1										2	
		Odisseias		1	1	1				1					4	
	Adventure	AVEB	50%*	2	2	1			1	1					7	16
		Smartbox		2	1				1						4	
		Coolgift		1											1	
		Odisseias		1	2	1									4	
	Gourmet	AVEB	20%*	3	4										7	15
		Smartbox			4	1									5	
		Coolgift			2		1								3	
		Odisseias														
	Personal	AVEB	39%*	4	3	1			1						9	16
		Smartbox			1										1	
		Coolgift		4		1		1							6	
		Odisseias														
	Multi-activities	AVEB	38%*	1	2	1								1	5	15
		Smartbox			1										1	
		Coolgift		3	2			2		2					9	
		Odisseias														
TOTAL	by price ranges			27	36	15	10	17	3	14	2	1		125		
	by company	AVEB		13	17	8	5	3	2	6		1		55		
		Smartbox		3	10	2	2	7	1	3	2			30		
		Coolgift		9	6	1	2	4		4				26		
		Odisseias		2	3	4	1	3		1				14		
* % innovation (increment of the # of experiences compared with the previous period)																

Exhibit 8: Summary table about the new brands created by *A Vida É Bela* and *A Vida É Bela's* logo brands

8.1) Summary table about the new brands created by *A Vida É Bela*¹³⁸

	<i>Enjoy</i>	<i>Freepass</i>	<i>WeekBreak</i>
Target:	Aged 35 – 50, urban consumers, with medium or medium-high purchase power.	Aged 15 - 25	Urban consumers with medium purchase power, who value the quality but do not have time or know-how to organize programs.
Distribution Channels: The three are signed by <i>A Vida É Bela</i>	The same as <i>A Vida É Bela</i> (FNAC, Sonae distribution, People's Phone, Media Markt, Rede Payshop, online channels).	The same as <i>A Vida É Bela</i> (FNAC, Sonae distribution, People's Phone, Media Markt, Rede Payshop, online channels).	The same as <i>A Vida É Bela</i> (FNAC, Sonae distribution, People's Phone, Media Markt, Rede Payshop, online channels) and in travel agencies.
Offers:	<ul style="list-style-type: none"> • Adventure Spirit • Ultimate Speed • Pousadas de Portugal • SPA You & Me • Wine Moments • Charming Hotels • SPA Passion 	<ul style="list-style-type: none"> • Paint battle • Kart race • Surfing • Makeover • Run way to hostels and youth hostels 	<ul style="list-style-type: none"> • Accommodation • SPA • Restaurants • Experiences related to the national tourism
Innovation:	When a client buys a voucher receives a gift from a brand with reputation (for instance receives a Porto wine bottle from Wine Moments, a 200 ml Moët&Chandon champagne from Pousadas de Portugal, some Ritual's products from SPA Passion).	List of experiences directed to youth people, a previous underexplored fringe.	Brand targeted at travel agencies and the project is considered unique worldwide: travel agencies provide the small accommodation (not too sold in an agency). Launch pioneer: <i>Best Travel</i>

¹³⁸ <http://www.publituris.pt/2009/11/17/enjoy-e-nova-marca-de-experiencias/>, <http://www.publituris.pt/2009/07/15/a-vida-e-bela-chega-as-agencias/> and <http://www.publituris.pt/2009/12/02/enjoy-e-nova-marca-de-experiencias-da-vida-e-bela/> (accessed in July 2012)

8.2) *A Vida É Bela*'s logo brands ¹³⁹



A2 logo



Enjoy Box FNAC - Adventure Spirit

¹³⁹ <http://www.clubea2.com/> (accessed in July 2012) and <http://lisboacity.olx.pt/a-vida-e-bela-enjoy-box-adventure-spirit-iid-128131887> (accessed in May 2012)

Exhibit 9: *A Vida É Bela* nominated as product of the year 2011¹⁴⁰



Translation (in English):

“A Vida É Bela is the best Experience Tourism brand

A Vida É Bela was distinguished for the award “Product of the year 2011”, winning the category of “experiences’ tourism”. Through a market study, the Portuguese consumers elected a brand as national market leader of experience gifts, for his creativity and innovation. The logo “Product of the year elected for consumers 2011” will appear in the sales points during 2011. In the photo, the marketing director, Margarida Reis, shows the prize.”

¹⁴⁰ http://blog.avidabela.com/2011_04_01_archive.html (accessed in July 2012)

Exhibit 10: Human Resources guidelines¹⁴¹

As commercial employees are the face of *A Vida É Bela* in kiosks and experience stores, they are submitted to some training sessions where the employee's manual is carefully explained.

The employees have to follow certain patterns previously set up:

- They have to dress the *A Vida É Bela*'s t-shirt, to carry a careful look; hair caught and slightly dressed up.
- They have to use jeans or other kind of pants.
- While working, they cannot use phone mobile.
- They cannot chew.
- They cannot drink in the kiosk or if so they have to do it discreetly.

On the other hand, there is a list of important traits an *A Vida É Bela*'s commercial employee has to have:

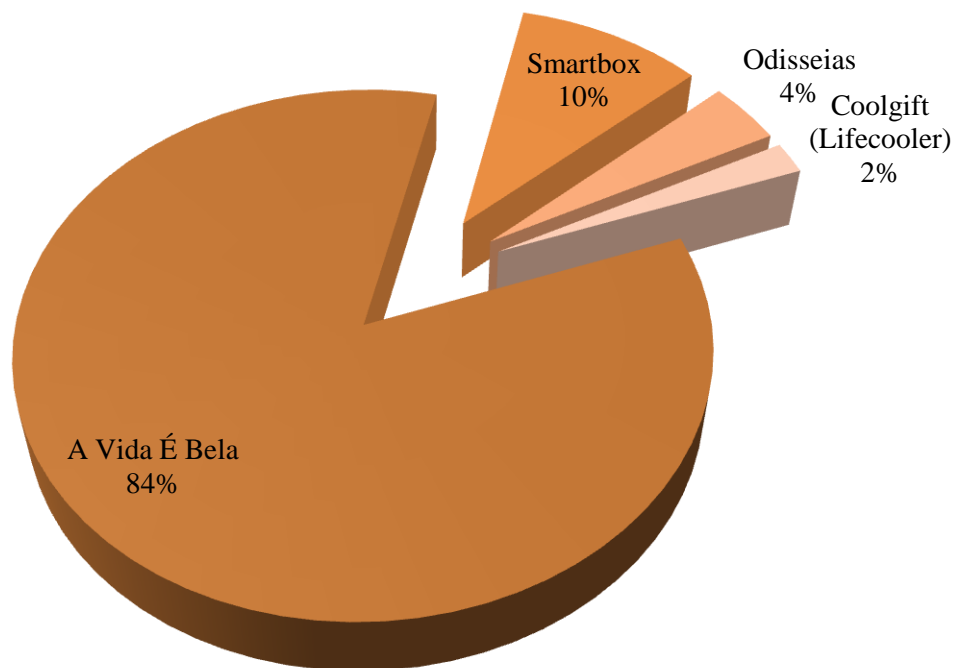
- Extremely pleasant and polite.
- Extremely helpful and available.
- Know the product of all brands.
- Approach the client and meet him always standing.

Moreover, it is communicated to the commercial employees that a good sales person is the one who:

- Asks for who is the gift.
- Asks who much the client is expecting to spend.
- Try to make a product up-grade
- Explain the current campaigns, selling them.

¹⁴¹ Source: Information taken from *A Vida É Bela*'s employees formation guidelines.

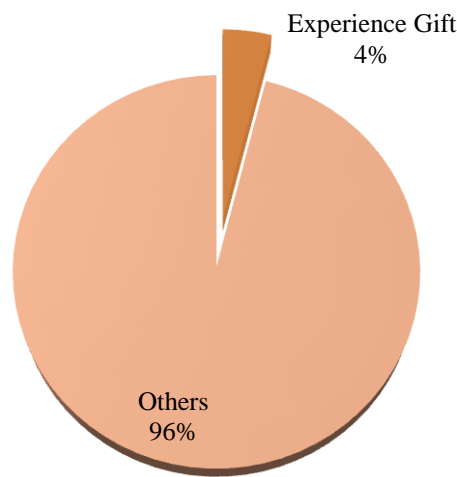
Exhibit 11: Market share in the experience gift industry in Portugal in 2011 ¹⁴²



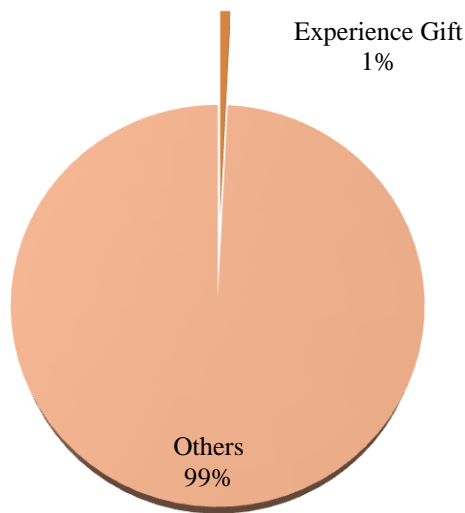
¹⁴² Source: http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

Exhibit 12: Portuguese and French experience gift market in 2010¹⁴³




Gift Market in France



Gift Market in Portugal



¹⁴³ Source: Barros, Mariana Correia de (05/03/2010), “Turismo de Experiências: mercado está a crescer e aumenta as vendas em tempos de crise”, *Diário de Notícias*

			
Best selling gifts by company in Portugal (Year: 2010)	SPA (ZEN gamma)	Picturesque getaway (rural tourism)	Roads (Leakage gamma)
	Flying (airplane rides)	Getaway at the table (with dinner)	Romantic dinners
	Accommodation	Welfare universe	SPA
		Adventure universe	Balloon rides
Why do Portuguese look for experiences / experience gifts?	Portuguese seek to escape the routine, to relax, to meet new places and to live new emotions.		

5) Teaching Notes

5.1.) Introduction

The *Teaching Notes* chapter is divided in some sections to guide the presentation and the analysis of the case.

- The *Case Synopsis – Pitch* aims to help the professor to summarize the main topics of the case.
- The *Teaching Objectives* guide the professor concerning the final goals and main subjects of this case study.
- The *Teaching Plan* gives a detailed class plan with some questions to stimulate the individual thinking ability and the group discussion of interesting topics.

5.2.) Case Synopsis – Pitch

During his life António Quina started some business and always had the pretension to look for different things. *A Vida É Bela* was his great triumph.

The idea came up in 2001 when the world economy was going through hard times. António Quina lost his job but at the same time possessed a huge experience about relationship marketing, loyalty and promotion programs, which enabled him to detect a great market opportunity.

The gift market was clearly saturated: to reward employees and clients companies did not have different options and the common consumers did not have innovative options to offer, which typically requires some creativity and surprise factor.

So, Quina's idea was to reformulate this market, introducing a revolutionary way to reward others, in order to make people happier and more satisfied.

In 2002, *A Vida É Bela* took the first steps. The first clients gave an excellent feedback about the company and progressively the business started to grow. In 2006, thinking outside the box, *A Vida É Bela* internationalized and introduced the business model in Spain, where they had a huge success. In 2009, *A Vida É Bela* placed in Brazil and today is the leader in the Iberian experience gift market.

If firstly the company was born as a web based brand and was focused on B2B business, today is positioned mostly as selling directed to the common consumers and offering to them a relevant value proposal.

The extension of the segments was possible thanks to the interesting development of the distribution channels, which was critical for the company's success. Selling physically the product in kiosks and supermarkets enabled the brand to reach a larger fringe of consumers who otherwise would be harder to catch.

The brand value is one of the biggest concerns, guiding the entire marketing strategy. The innovation concept is a core in *A Vida É Bela*'s DNA. In 2002, António Quina did not launch only a new business; he created a new product category in Portugal, democratizing the access to inaccessible experiences to the type-consumer.

For now the biggest concerns are the focus on the internationalization strategy, meaning the reinforcement of the business in Spain and in Brazil. In the future, *A Vida É Bela* aims to continue the internationalization; in fact, António Quina knows that is the unique way a Portuguese company has to grow.

5.3.) Teaching Objectives

This case study was firstly thought to business strategy courses, to undergraduate or Master of Science students, or even more advanced courses.

As the concept of experience marketing is a reference in the whole case, the case study might be adapted to marketing courses too. On the other hand, it can be studied in subjects or programs about entrepreneurship or/and international courses, since the case is based on a Portuguese example of entrepreneurship and his internationalization process.

The present *Teaching Note* section was designed with the aim of providing enough flexibility for the instructor to choose the concepts to be approached in class and some suggestions which provide to the students' autonomy to think.

The teaching objectives of this case are as follows:

- To show a success entrepreneurial Portuguese example in order to inspire others;
- To understand the concept of experience marketing, how it could be turned into a profit business, why it had success and what is the interaction between this concept and the company;
- To encourage the understanding of the concept of innovation and to think about some strategic decisions, such as industry investment decision, pricing choices, distribution channels aligned with business direction;
- To explore the success critical factors and to discuss its importance in the overall business context;
- To discuss the future of the company as an international player and the importance of improve certain features to consolidate the brand image, associations and awareness, in order to develop the strategic long-term vision of the students.

5.4.) Teaching Plan

The *Teaching plan* section aims to offer some guidelines for a better understanding and teaching of the case. It is divided in in-class or individual discussion questions and a group assignment – analysis and discussion.

5.4.1.) In-class or individual discussion questions – summary

Questions objective: To discuss in the class, to generate debate among the students or to give to the students the opportunity to work outside the class and to be capable to think by themselves.

QUESTION # 1:

In 2001 without a job and without any warranties, António Quina decided to take the risk and to bet on A Vida É Bela.

Comment, thinking about the identified opportunity, A Vida É Bela's value creation, António Quina's profile as an entrepreneur and how it contributed for the success of the company.

Question objective: This question requires a more developed answer; the answer should focus on what the company was in the first years of life, why it was created and then refer the company's path. On the other hand, as António Quina was during a long time the face of A Vida É Bela, being its creator and the main head, the answer should refer some analysis of his persona while a business man and the importance of his character for the creation of A Vida É Bela.

QUESTION # 2:

After reading the case study, in your opinion why does experience marketing is having such a success? In the particular case of A Vida É Bela, why does the company had so much success in Portugal and in Spain?

Question objective: The answer should focus a coherent reason for the success of the experience marketing in general and then should provide an analysis of the business opportunity A Vida É Bela had in Portugal and in Spain, exposing some reasonable reasons for the success and contextualizing the experience marketing in the company's universe.

QUESTION # 3:

*Our role is to meet the more expensive or more affordable consumers' needs and expectations. That's the bottom line of our innovation DNA.*¹⁴⁴ Stated Margarida Reis, Marketing Director of *A Vida É Bela*

Regarding *A Vida É Bela*'s core business, what does innovation concept (called by Margarida Reis as "*A Vida É Bela*'s DNA") mean for the company?

Question objective: This question requires a short answer; an interpretation of *A Vida É Bela*'s DNA meaning (innovation concept). In this context, the answer should focus an explanation about how *A Vida É Bela* innovates.

QUESTION # 4:

***A Vida É Bela* is a true ambassador of the relationship/experience marketing. So, if the company has a deep concern about *relations*, caring with each client, what are their own points of contact with the customers? Do you think these points should transmit a uniform message? Justify your position.**

Question objective: This question requires a short answer; a reflection about how *A Vida É Bela* faces the concept of *relations*. From the case, the students conclude that concept is the bottom line of the business, but it might be interesting to think about the way *A Vida É Bela* relates with his own customers. Namely the company has a homogeneous or a heterogeneous way to relate with their clients. To extend the answer, the students may agree or not with what they think the company is doing.

QUESTION # 5:

***A Vida É Bela* brought to the Portuguese market new concepts and opened the doors to new entrants. In a certain way, the company set the game's rules.**

Think about which industry *A Vida É Bela* belongs and make a brief analysis about the market(s) *A Vida É Bela* is operating.

Question objective: To think about what *A Vida É Bela*'s industry is since could cause some confusion between the gift market and the leisure and tourism industry. To enrich the answer it should contain frameworks related to the industry evolution in the current *A Vida É Bela*'s markets (Portugal, Spain and Brazil) in order to analyze the company's phases in each place and to make a brief analysis about the market *A Vida É Bela* is operating.

¹⁴⁴<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

QUESTION # 6:

Do you think António Quina took the best decision when decided to invest in *A Vida É Bela*'s industry?

Question objective: This question requires a more developed answer to evaluate the investment decision of António Quina in a perspective of the gift industry's attractiveness. This evaluation should be done using valid arguments capable to justify the students' positions; those arguments can be based on some current facts or academic frameworks applied to the case.

QUESTION # 7:

Taking into account the current crisis and the current *A Vida É Bela* lowest price (roughly 15 Euros), why should it be *the best minimum price*? Should *A Vida É Bela* practice an even lower price?¹⁴⁵

Question objective: This question requires a short answer and is about the pricing strategy of *A Vida É Bela* in a crisis environment, thinking if 15 Euros is a fair and profitable price or if lowering the price could bring more advantages.

QUESTION # 8:

Since *A Vida É Bela* is leader in the experience gift business in Portugal (with a market share above 80%), which are the main factors that make the company sustainably different from the competition?

Suggestion: to expand your answer think about *A Vida É Bela*'s brand positioning.

Question objective: This question asks to think about what really makes *A Vida É Bela* different and the main critical success factors. From the case the students may get some direct information as some indirect conclusions.

QUESTION # 9:

Frame the company's distribution strategy in the overall communication strategy of *A Vida É Bela*.

Why do you think *A Vida É Bela* enlarged the distribution channels?

Question objective: To focus on *A Vida É Bela*'s distribution channels strategy (a crucial factor to the current *A Vida É Bela*'s success). First, it is asked to make the link between that business strategy and the communication

¹⁴⁵<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

strategy. Then, reflecting about the channels distribution choices. Moreover, the interest of such reflection increase when we think *A Vida É Bela* changed his business model from an exclusive B2B online company to an extension to the B2C with physic selling points.

5.4.2.) Group assignment – analysis and discussion - summary

Questions objectives: The students should work in groups to interact and discuss the ideas to deepen the reflection about the case.

QUESTION # 10:

Regarding the previous case study, discuss the position of *A Vida É Bela* in the market, possible improvements and the future of the company taking into account what is being done and what should be done.

Question objective: Since the following questions are liable to generate different opinions it could be interesting to organize the class in teams of 3 or 5 students to discuss these topics and/or to ask for a group report to deliver later.

Topics to be discussed:

- Analysis of *A Vida É Bela* current situation.
- Suggestion of some ideas to improve *A Vida É Bela*'s brand.
- Give an overall vision about *A Vida É Bela*'s future, focusing on the internationalization strategic options.

5.4.3.) In-class or individual discussion questions

Given the proposed questions this thesis provides for each a possible answer, which does not invalidate other acceptable answers.

QUESTION #1:

In 2001 without a job and without any warranties, António Quina decided to take the risk and to bet on A Vida É Bela.

Comment thinking about the identified opportunity, A Vida É Bela's value creation, António Quina's profile as an entrepreneur and how it contributed for the success of the company.

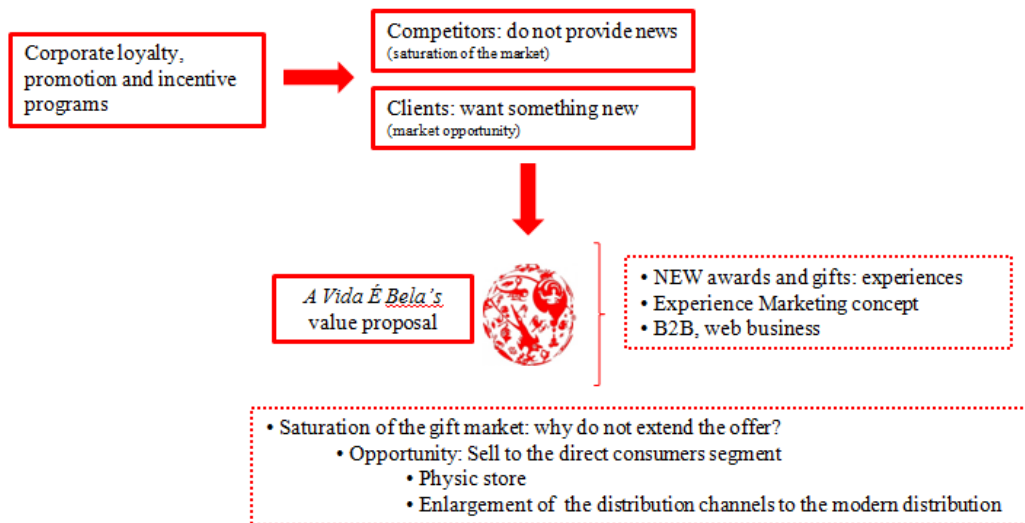
Suggested answer:

The brand *A Vida É Bela* was created in 2002 to offer to the corporate segment an innovative product to award the employees and to enrich the B2C gift market. The company landed innovation to this market and supported their success on the principle that experience marketing concept is an essential marketing tool. Actually, *A Vida É Bela* brought the excitement of the experiences to the brands that offer them. An experience is something remarkable and substantial, something that truly was missing in a market composed by consumers sick of the current offer.

The company was born as a B2B (business-to-business) and web based brand but quickly evolved to the B2C business (business-to-consumer). This evolution was driven by the expansion of the distribution channels to physic sales points with kiosks and real physic stores. The brand entered in the modern distribution, with higher relevance to the Sonae stores, which led to develop the mix marketing features (product, packaging, pricing and communication) and enabled an interesting growth. Today, it is clearly a mass market company that diversified the distribution channels to improve communication.

Analyzing this evolution the conclusion that can be taken is that the gift market really needed innovative proposals, the market was saturated with the current and obvious offers. So that, when *A Vida É Bela* appeared with a totally new gift approach it had a great receptivity, firstly by the corporate segment and later by the retail/direct consumers, who represents the current largest share of sales. **(Framework 1)**

Framework 1: Did *A Vida É Bela* create value?



With a lot of experience in loyalty and incentive programs, António Quina is an entrepreneur who decided to risk, even after losing his job and without any resources to start a new business. At the very beginning, *A Vida É Bela* was a small project launched as a web brand. To survive and to grown the company needed some resources, António Quina looked for them, worked hard, became the head and the responsible for the strategic orientation of the company. In 2006, he took the risk out of the national boundaries to Spain and in 2009 to Brazil.

Analyzing his personality this entrepreneur is a real risk taker, who is not afraid to work in a very unstable and unpredictable environment, without any rigorous analysis but with simple market know-how and notions about the market trends. **(Framework 2)**

Framework 2: Strategic Thinkers¹⁴⁶

		Type of thought	
		Systematic	Intuitive
Attitude towards risk	Exploring	Planner <ul style="list-style-type: none"> • Planned strategy • Clear and achievable goals • Careful analysis of several alternatives • Long-term orientation 	Entrepreneur (<u>ANTÓNIO QUINA</u>) <ul style="list-style-type: none"> • Inaccurate and ambitious goals • Reflection influenced by the perception of new opportunities • Quick analysis of few strategic alternatives • Commercial orientation and medium-term • Risk taker
	Conservative	Bureaucratic <ul style="list-style-type: none"> • Clear and perfectionist goals • Reflection influenced by periodic planning meetings • Conservative analysis of few alternatives • Financial and short-term orientation 	Reactive <ul style="list-style-type: none"> • Inaccurate and insurance goals • Reflection influenced by new problems • No analysis of alternatives • No short or long-term orientation

¹⁴⁶ Removed from Freire, Adriano (1997), *Estratégia Sucesso em Portugal*, Editorial Verbo, Lisbon, p. 38 (Adapted from Kono, Toyohiro (1992) *Long-Range Planning of Japanese Corporations*, Belim: Walter de Gruyter, p. 50)

QUESTION #2:

After reading the case study, in your opinion why does experience marketing is having such a success? In the particular case of *A Vida É Bela*, why does the company had so much success in Portugal and in Spain?

Suggested answer:

The success of experience marketing

Experience marketing came from the development of relationship marketing as opposed to mass marketing characteristic of the mass consumption period.

Instead of maintain the current clients satisfied, companies worried to sell more to more people resulting in low level of innovation, differentiation and margins.

Since evolution is a need, the market was appealing for some diversification; to increase their margins, companies began to understand that each client could have an important future value, so maintaining them happy could bring advantages. For that reason, to know clients better companies developed tools to deepen the relations with each one. The core idea was to get closer to them and to ensure their satisfaction experiences came up as an innovation within relationship marketing

Nowadays, the bargaining power of the consumers is increasing, they are more demanding, better informed and do not respond to the traditional mass marketing strategies anymore. Actually, people look for much more than just a product, they expect respect, recognition and relevant communication, they value emotions, memories and experiences.

On the other hand, the traditional loyalty programs promoted by companies based on material and tangible awards are already too trivialized and perceived as a commodity. In general, people are not interested only in material goods anymore; often an intangible and live experience is more valued and becomes life less monotone and richer. Hence, this trend might be enjoyed by brands, not only in a perspective of customers' retention but also of employees' motivation.

That is exactly the added value that experience marketing brought to relationship and traditional marketing: reinforcement and enlargement of relations.

The success of A Vida É Bela in Portugal and in Spain

This is the concept behind *A Vida É Bela*'s philosophy. Firstly, the corporate segment urged by different solutions to retain and to remain satisfied employees and clients, and then since the gift market was so saturated, *A Vida É Bela* had also a market opportunity within the common consumers. As occurred in other countries before progressively *A Vida É Bela* had a striking success.

Thus, the bottom line of *A Vida É Bela* is the recent concept of experience marketing, created in the end of 80s and developed during the 90s. The business concept of *A Vida É Bela* had origin in United Kingdom, where emerged the pioneer of experiences' companies.

In 2001, António Quina identified an opportunity to launch that concept for the first time in Portugal. As was happening in other countries, over time the idea was a success and later *A Vida É Bela* created the concept in Spain too.

Although, *A Vida É Bela* did not invent the concept and was not the first brand selling experiences in the world, the success might be justified by being the first company in Portugal and in Spain that enjoyed the geographic and the first mover advantage in these countries.

QUESTION # 3:

Our role is to meet the more expensive or more affordable consumers' needs and expectations. That's the bottom line of our innovation DNA. ¹⁴⁷ Stated Margarida Reis, Marketing Director of *A Vida É Bela*

Regarding *A Vida É Bela*'s core business, what does innovation concept (called by Margarida Reis as "*A Vida É Bela*'s DNA") mean for the company?

Suggested answer:

A Vida É Bela launched a revolutionary concept in the gift market, introducing the gift of offering experiences, which at the same time revolutionized the experiences' world making several experiences accessible to a higher fringe of the population. The company dug deep in this industry, changed its essence and set the differentiation level.

The brands' philosophy is truly based on following costumers' needs and trends, so launching new gammas is not innovation but the daily business. Hence, for the brand the innovation concept means launching products and services that does not exist in the market yet¹⁴⁸. In other words, the innovation DNA means providing different and new experiences that were not accessible to the common consumer. For example, driving a Ferrari in Estoril circuit by 149,90€ is innovation, but providing massages for the current market price and conditions does not.

In fact, since the beginning the core of the company was introducing in the market an inexistent concept, this is innovation. So, innovation is in *A Vida É Bela*'s DNA because the company always had in his essence this factor.

¹⁴⁷<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

¹⁴⁸Margarida Reis in <http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

QUESTION # 4:

***A Vida É Bela* is a true ambassador of the relationship/experience marketing. So, if the company has a deep concern about *relations*, caring with each client, what are their own points of contact with the customers? Do you think these points should transmit a uniform message? Justify your position.**

Suggested answer:

The creation of an own purchase experience is essential to differentiate companies. The way the company communicates through emotional advertisements, the attempt to create the feeling of “must have” and lifestyles, the design (signs identity as the name and the logo), the product (packaging that trigger a visual and tactile experience, creating desire).

Hence, *A Vida É Bela* uses those several ways to create and to enlarge the purchase experience. The company trivialized the commercialization of experiences, making something intangible into tangible. In that sense, besides the online purchase and the voucher philosophy, the company is selling experiences in packs easily recognized with an own design and uniform color (red). The experience store in Restelo became the business tangible, while the kiosks spread across multiple distribution channels enlarged the communication and increased the scope of consumers’ segments.

How people perceive the company is a marketing task. So, even if the company tries to pay attention to each client’s needs, the message transmitted should be uniform and the interaction should assume numerous shapes. For that reason, the co-branding, the environments and the human resources are also factors that have impact in the creation of amazing contacts/purchase experiences. Apart from an increase of the relation with each client, it does not mean different messages to all of them.

Therefore, the message should be in accordance with *A Vida É Bela*’s mission, vision and values. For *A Vida É Bela* is basilar to “Offer people an alternative option to traditional gifts, offering dream experience gifts accessible to most consumers and that make people happier.”¹⁴⁹, so everything related to the brand has to be aligned with that mission, in order to promote a coherent image inside the consumers mind.

¹⁴⁹ *A Vida É Bela*’s mission in www.avidaela.pt (accessed in July 2012)

QUESTION # 5:

A Vida É Bela brought to the Portuguese market new concepts and opened the doors to new entrants. In a certain way, the company set the game's rules.

Think about which industry A Vida É Bela belongs and make a brief analysis about the market(s) A Vida É Bela is operating.

Suggested answer:

The identification of the competitors could help to define the brand industry. In *A Vida É Bela's* case the competitors are other selling similar experiences brands, as *Smartbox*, *CoolGift* or *Odisseias*, but also everything else that might be given as an award or a gift.

However, the company cannot distance from the tourism and leisure industry since the experiences and the context are related to this. *A Vida É Bela* introduced a business originally in the gift market that had repercussions in the tourism and leisure industry. In fact, most of the experiences offered by *A Vida É Bela* are connected with tourism and leisure somehow, but that's not mean *A Vida É Bela* operates in that market. The brand assumes officially as a player in the gift market, even if the industry's company could be confused with the tourism and leisure sector.

"For us the market is the gifts, perfums, CD, ... the experience gifts are a part of that market. So we have a lot to grow." summarized Margarida Reis in an interview to *Diário Económico* in December 2011.

Moreover, António Quina brought to Portugal, and later to Spain, a completely new concept, *A Vida É Bela* restructured the Spanish and the Portuguese gift market and redesigned the gift concept. In that sense, António Quina took the chance to bet on an untapped market and reinvented a model.

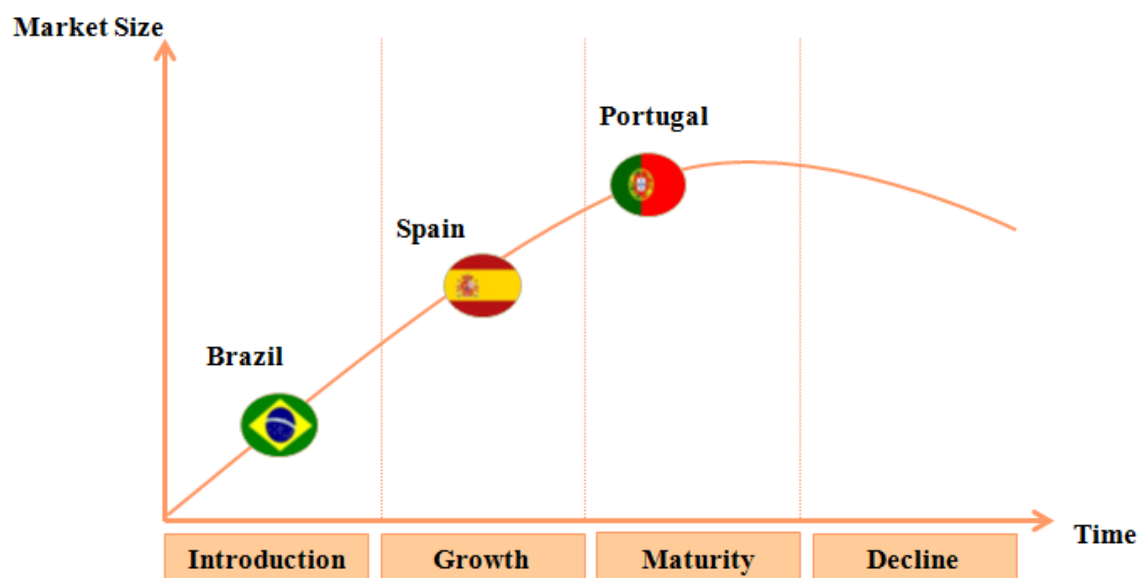
Hence, in 2002 the industry was in an *introduction* emerging phase, that means the market was developing and companies were entering.

Nowadays, in the Iberian market *A Vida É Bela* is growing thanks mainly to Spain. In Portugal the market is more mature, at least the vouchers market as stated by Margarida Reis, so in Portugal the overall experience gift market is entering in the *maturity* phase while in Spain is in the *growth* stage.

Depending on the lifecycle evolution the industries might be fragmented, concentrated or declining. In *A Vida É Bela*'s case in Spain the industry is more fragmented than in Portugal, which could be classified as a more concentrated market. This means in Portugal there is a small number of companies which detain a higher market share and can influence the evolution of the industry, as seen in the **Exhibit 11: Market share in the experience gift industry in Portugal in 2011**. In Spain the 80% of the market is played by *La Vida Es Bella* and *Smartbox*, both with 40% market share.¹⁵⁰

In Brazil, *A Vida É Bela* was launched in 2009, and is in an *introduction* phase yet, because the company is facing some difficulties.

Framework 3: *A Vida É Bela*'s experience gift industry lifecycle (Brazil, Spain and Portugal)



Summing up, *A Vida É Bela* introduced the experience marketing in the gift market in Portugal and in Spain and opened a marketplace to new incumbents. Therefore, the brand set the basic market rules and some minimum patterns that competitors had to ensure to be able to enter and resist.

¹⁵⁰ http://mobile.economico.pt/noticias/a-vida-e-bela-cresce-60-gracas-a-espanha_132924.html (accessed in May 2012)

QUESTION # 6:

Do you think António Quina took the best decision when decided to invest in A *Vida É Bela*'s industry?

In 2001, when António Quina had his business idea the world economy was living tough times. Notwithstanding, in Portugal the tourism and leisure industry is one of the segments that in the crisis period suffers less. Usually consumers continue buying those products and services, even if the demand is mainly for lower price products. A *Vida É Bela* operates in the gift sector, but has also repercussions in the tourism and leisure industry.

On the other hand, the gift industry is really wide and there are several market opportunities to explore and ways to innovate. In that sense, in this industry the most innovative a company is, the most promising it will be. Consumers like to offer different things and the surprise factor is truly important when it comes to offering something. Then, A *Vida É Bela* came up with an innovative offer to ordinary people; from simple experiences to the most extravagant, the business had an extremely high value proposal.

To support this answer it is important to use some frameworks in order to evaluate the gift industry attractiveness when related to the gift, tourism and leisure sector.

- **Framework 4: Industry attractiveness**





It is a support framework and summarizes the industry main attractiveness factors (value, growth, margin and risk).

- **Framework 5: Porter Five Forces – gift/tourism and leisure industry**

The previous framework is too generic and does not justify the true industry attractiveness. So, the Porter Five Forces came up as a complement to the answer.

Besides the risk of being a truly wide industry, the most different those companies are the most they might win. So, the growth potential is high and the overall industry value is high as well.

Framework 4: Industry attractiveness¹⁵¹

Value	Growth	Margin	Risk
			

Framework 5: Porter Five Forces - Industry: Gift/tourism and leisure

<p><u>CUSTOMERS</u></p> <p>Who: wants to offer gifts and companies who want to reward clients and employees.</p> <p>Switching costs: low - once consumers can find alternative gifts everywhere and usually there is no compromise with this kind of companies.</p> <p>Bargaining power within the industry: moderate.</p> <p>How decrease their power: increase the innovative degree of the players, the differentiation, recognition, prestige, trust, awareness and the willing to pay.</p> <p>Comments: mainly in some tourism and leisure activities, as restaurants and hotels, it becomes important to attract first-time customers and to promote the repeat purchase. When buyers do not perceive the innovation they become truly price sensitive, which increases their power and gives them the incentive to change and to find the best available deal.</p>		
<p><u>SUPPLIERS</u></p> <p>Who: differ depending on the sector, and specifically in <i>A Vida É Bela</i> case could be any partner with whom the company has partnership.</p> <p>Switching costs: not high - <i>A Vida É Bela</i> establishes short/medium run contracts with the partners.</p> <p>Bargaining power within the industry: high/moderate.</p> <p>How decrease their power: pay attention in the signed contracts.</p> <p>Comments: the quality and availability of supplier services,</p>	<p><u>RIVALRY</u></p> <p>Power within the industry: moderate.</p> <p>Comments: In Portugal, the industry is truly fragmented and according to the experience gift industry, <i>A Vida É Bela</i> is the player with the highest market share. However, in Spain <i>La Vida Es Bella</i> shares the market with <i>Smartbox</i>, an international company with presence all over the world, which could be a threat also in Portugal. Thus, the</p>	<p><u>SUBSTITUTES</u></p> <p>Who: other players with the same business model and alternative gifts that could be cheaper but less different.</p> <p>Switching costs: high - there is no compromise with any company. Unless, it is emotional.</p> <p>Bargaining power within the industry: moderate.</p> <p>How decrease their power: make the offer make cheaper and desirable.</p>

¹⁵¹ Removed from Freire, Adriano (1997), *Estratégia Sucesso em Portugal*, Editorial Verbo, Lisbon,

since the restaurants or hotels or any other partner, are essential to guarantee a certain level of all the provided gift experience which might affect the future clients' loyalty.	competitive environment in Spain is more aggressive than in Portugal, and rivalry is assessed as moderate.	
<p><u>NEW ENTRANTS</u></p> <p>Who: new players.</p> <p>Threat within the industry: moderate/high, because of the scope of the gift concept but it is not easy to be innovative and at the same time an attractive seller.</p> <p>How decrease their power: the key defense factors are innovation, promotion of a strong brand awareness, recognition and trust.</p> <p>Comments: since the industry is particularly attractive, new entrants are a constant risk that should be manage with often innovations and with great market knowledge.</p>		

The *Porter Five Forces Model* is used to analyze the attractiveness of an industry. After a brief scrutiny of the five forces, the main conclusion is that the gift industry, specifically the experience gift related to tourism and leisure, is particularly interesting to invest. Besides some threats that should be taken into account, the industry has a lot to grow and a bunch of new opportunities that attract innovative players.

To finalize the answer it could be useful to think about the way the industry's attractiveness relates to the company's competitiveness: *according to the previous conclusion about industry's attractiveness, is A Vida É Bela competitive enough to guarantee a prominent place in the market?*

The **framework 6: General Electric/Mckinsey Model** shows this relation. Assuming that the industry's attractiveness is strong, *A Vida É Bela* has to be really innovative and distinguished to survive in the market.

Focusing on the main *A Vida É Bela*'s markets at that moment, Portugal and Spain, *A Vida É Bela* has to face some competition, so concerning the position in the Iberian market the company has a medium/strong competitive power. The company has to invest more and more to grow and at the same time has to protect the position, at least the dominant position in the Portuguese market.

Framework 6: General Electric/Mckinsey Model ¹⁵²

		Competitive company		
		Weak	Medium	Strong
Industry attractiveness	Strong	Expand carefully <ul style="list-style-type: none"> • Specialize by area • Reinforce weaknesses • Leave if no grow 	Invest to grow <ul style="list-style-type: none"> • Gain leadership • Concentrate efforts • Reinforce certain areas 	Protect the position <ul style="list-style-type: none"> • Invest to grow the most possible • Concentrate efforts
	Medium	Selectively grow <ul style="list-style-type: none"> • Expand without risks • Limit the investment • Leave if no grow 	Manage the return <ul style="list-style-type: none"> • Protect the business • Invest without risk • Reinforce return 	Reinforce the position <ul style="list-style-type: none"> • Invest in the attractive segments • Compete
	Weak	Disinvest <ul style="list-style-type: none"> • No invest • Cut costs • Leave in the right moment 	Monetize <ul style="list-style-type: none"> • Protect segment • Reduce the costs • Cut investments 	Protect the return <ul style="list-style-type: none"> • Ensure the return • Manage good segments • Defense strong areas

Disinvestment area
 Return manage area
 Growth area

In conclusion, António Quina took a really good decision when decided to invest in the experience gift market associating it to the leisure and tourism industry, in fact this industry has high expectations of prominent growth even in negative social and economic environments.

¹⁵² Removed from Freire, Adriano (2000), Inovação Novos Produtos, Serviços e Negócios para Portugal, Editorial Verbo, Lisbon, p. 252 (Adapted from Ohmae, Kenichi (1982) The Mind of the Strategist, Harmondsworth: Penguin Books, p. 141))

QUESTION # 7:

Taking into account the current crisis and the current *A Vida É Bela* lowest price (roughly 15 Euros), why should it be *the best minimum price*? Should *A Vida É Bela* practice an even lower price?¹⁵³

Suggested answer:

A consequence of the current crisis is the demand for low cost products. One of the main drivers for *A Vida É Bela* is to be aligned with what the market is looking for; the mission is based on meeting of most expensive or the cheapest needs and expectations. Moreover, the innovation DNA, where *A Vida É Bela* is working hard, is lined up with the adaptation and optimization of the range of products.

Starting from the fact the segment 29 to 40 Euros is the one with the most incredible growths, gifts with 15 Euros surpassed the market needs, meaning an appealing for more demand.

Furthermore, regarding the **Exhibit 7: The range of products 2011/2012 of the experience gift market main players**, the conclusion is that more than half of the offer falls into the range of prices between 15 and 55 Euros.

Finally, lowering the set lowest price would mean reduce the brand market value, encouraging the consumers to perceive the brand as cheap and low-priced, and in some cases it could compromise the perceived quality of *A Vida É Bela*'s products. So, I strongly agree with the current low price.

¹⁵³<http://www.hipersuper.pt/2011/11/29/margarida-reis-directora-de-marketing-de-%E2%80%9Ca-vida-e-bela%E2%80%9D-%E2%80%9Ca-nossa-perspectiva-e-cada-vez-mais-iberica%E2%80%9D/> (accessed in April 2012)

QUESTION # 8:

Since *A Vida É Bela* is leader in the experience gift business in Portugal (with a market share above 80%), which are the main factors that make the company sustainably different from the competition?

Suggestion: to expand your answer think about *A Vida É Bela*'s brand positioning.

Suggested answer¹⁵⁴:

In the Portuguese gift market *A Vida É Bela* was the first company in the experience business deciding to take the initiative to innovate. Some success can be attributed to the *first mover advantage effect* aligned with important factors carried by *A Vida É Bela* that may modify the critical success factors of the overall industry. The brand passes the perception of differentiation and set entry barriers by developing strategies and standards that guide the market and cancel competitors' advantages. (FREIRE, 2000)

The main factors that make the company sustainably different from the competition are *A Vida É Bela*'s critical factors.

A Vida É Bela was launched during difficult times and since the very beginning the *name life is beautiful* suggests an escape through something pleasant and enjoyable, dream experiences since the simplest one until the most extravagant examples. The brand was able to build a valued image based on trust and awareness.

A Vida É Bela bets on a *broad range of products*, meaning products with an excellent relation price/quality, with prices since 15 € and constant innovative concepts (for instance, the new *A Vida É Bela*'s brand launched in 2011 named A2, as mentioned in the case).

But if the product is exceptionally good, the company has to ensure the consumers perceive this quality.

So that, to guarantee the triumph any company has to promote an efficient *communication strategy*. *A Vida É Bela* has a *rigorous partners' selection* and additionally all the *selling points* are carefully thought to be positioned in the right places.

¹⁵⁴ Sources for the answer: informations given by the company, <http://www.hipersuper.pt/2009/07/24/o-alojamento-e-a-grande-aposta/> (accessed in April 2012) and Freire, Adriano (2000), *Inovação Novos Produtos, Serviços e Negócios para Portugal*, Editorial Verbo, Lisbon, p. 252.

Concerning the high investment in the client support and in partnerships, the provided service is also a critical driver. *A Vida É Bela* has 3 *employees* only dedicated to the task of answering emails from the client support line, and uses mostly Facebook to establish a close contact with the followers.

Moreover, *A Vida É Bela* is a Portuguese brand created by Portuguese individuals who had the courage to launch a business taking the inherent risks. Regarding the current crisis, it is relevant to *promote national brands*, have good examples to follow and to support, being this way a reason of proud and an important differentiator point.

These differentiator drivers are complemented with a *successful brand positioning*. *A Vida É Bela* works hard to be very good on that, making people happier and satisfying wishes by the simple pleasure of giving really different gifts.

Summing up, if selling gifts is the main point of parity with the competitors, the quality of the provided experiences and the trust in the company are fundamental points of differentiation that definitely set the brand apart from the others.

QUESTION # 9:

Frame the company's distribution strategy in the overall communication strategy of A *Vida É Bela*.

Why do you think A *Vida É Bela* enlarged the distribution channels?

Suggested answer:

A Vida É Bela started by being an innovative online company, and since the very beginning the media had a huge interest for them which become an important factor in their communication strategy. Over time this strategy has evolved from a spontaneous communication related to the perceived brand value, to the digital communication with a low cost per contact.

To turn the business more tangible, the brand opened in 2005 the first physic experience store in Restelo, Lisbon, and later enlarged their distribution channels to the retail, with special focus on large supermarket chains (as Auchan, FNAC, Worten, Media Market, *Rádio Popular*). Simultaneously, the traditional media (radio, press, outdoors, ATM) has projected the company to another level of awareness.

Since 2009 their strategy is passing by a high investment in social networks, namely Facebook, seen as an essential tool to interact in a more close way and to build deep relations with current and potential clients.

Transversely, to increase the awareness the company is investing in punctual partnerships with brands related with the brand positioning (for instance, the sponsorship of the guide “Boa Cama Boa Mesa¹⁵⁵” from the newspaper Expresso).

In conclusion, the direction of the communication and distribution channels shows a growth strategy, where the modern distribution assumes a preponderant position. In the course of the time the online business became a mass market brand with an interesting sales evolution in Portugal (in 2008 2.5 millions, in 2009 12.5 millions and in 2010 24 millions). Moreover, the communication itself needed to be adapted to the business type changing the used tools and channels: if firstly the propose was to communicate an online innovative brand to a narrower target, over the time the communication aimed to achieve a mass.

¹⁵⁵ *Good Bed, Good Table*, in English.

5.4.4.) Group Assignments: analysis & discussion

QUESTION # 10:

Regarding the previous case study, discuss the position of *A Vida É Bela* in the market, possible improvements and the future of the company taking into account what is being done and what should be done.

Suggested answer:

A Vida É Bela is a true success company in the experience market. Even if the company has weaknesses and threats, it should be faced as opportunities to be enjoyed in the short or medium-long time.

The following SWOT analysis sums up some information concluded from the analysis of the case study:

Framework 7: SWOT analysis¹⁵⁶ – *A Vida É Bela*

(assuming the strategic vision that threats can be turned into opportunities)		
	Opportunities & Time	
	Short-medium time	Medium-long time
Strengths	<ul style="list-style-type: none">• First mover advantage and the perception of being an innovative company.• The brand name, <i>life is beautiful</i>, during tough times might be an advantage to create purchase desire.• Perceived quality: brand awareness, trust, image, recognition.• Broad range of products with a great relation price/quality.	<ul style="list-style-type: none">• Brand positioning: dreams' seller; make people happier; satisfaction of wishes; a reference when offering a gift (a preponderant position in relations as B2B or B2C).• Good relations with partners and rigorous partners' selection.• National brand: promotion of a national good example to follow and to support.• More rigorous laws of consumers' defense in Europe: outside Europe the

¹⁵⁶ This framework structure was taken from: FREIRE, A. (2000). *Estratégia: Sucesso em Portugal*. Verbo Editora

	<ul style="list-style-type: none"> • Distribution channels: several selling points in places with easy access to a wide fringe of consumers. • Communication strategy: using different communication means – as ATM, Facebook. • Incentives to the promotion of tourism activities in Portugal and in Spain. 	<p>brand may be perceived as a European brand potentially more safe and trustful.</p> <ul style="list-style-type: none"> • Internationalization to Brazil (potential strength if the business goes well, <i>A Vida É Bela</i> has a lot to win).
Weaknesses	<ul style="list-style-type: none"> • Too much dependence to partners. To reduce such dependence: ensure partners and <i>A Vida É Bela</i> are aligned. • Market is too receptive to the entrance of new players. • Threat of international players, as <i>Smartbox</i>, with a worldwide scope – <i>A Vida É Bela</i> should ensure the maintenance of the leader position, because be more international, as <i>Smartbox</i>, does not mean more power in the local markets. • Difficulties with the internationalization into Brazil. • Crisis in Portugal and in Spain. Opportunity: consumers tend to continue to spend money on leisure and tourism activities even during a crisis; launch of new brands and new categories to better meet consumers' needs to achieve a wide fringe of consumers. 	<ul style="list-style-type: none"> • Several alternative gift options for consumers, substitutes and direct competition threat: <i>A Vida É Bela</i> belongs to a wide market (the gift market); be being associated to a new emerging segment if the tourism and leisure industry. So, in this kind of market the more innovative a company is, more chances it has to win market share. <i>A Vida É Bela</i> is working hard on that.

In order to overcome *A Vida É Bela*'s weaknesses, next there are some proposals or actions already taken (but did not mention in the case) that aim to increase the brand awareness, recognition and to get the brand closer to their clients. Then, it is given some proposals about the future direction of *A Vida É Bela* the main concern is the internationalization strategy, where is given an analysis about the current options and some possible scenarios.

1) A distribution channel to follow the new technological challenges¹⁵⁷:

In 2011, following the trends of the distribution channels in mobility, *A Vida É Bela* launched a web mobile application¹⁵⁸ for iPhones, Android and Blackberry. With this app it is possible to buy any 58 packages from the range available, and the gift is sent in 48 hours or the voucher is sent by e-mail. The application presented in the market with the slogan "*A sua loja de presentes 'A Vida É Bela' onde quer que esteja*"¹⁵⁹ and brought a new opportunity to *A Vida É Bela* to get closer to the more hi-tech consumers, potentially the medium-high class target, and to some consumers in general since the slogan appeals to *A Vida É Bela*'s versatility to be wherever the client is.

2) Creation of an official *A Vida É Bela*'s Youtube channel:

This proposal aims to increase *A Vida É Bela*'s interaction with the consumers and to get closer to them. Indeed, consumers' opinions and past experiences are valuable assets; the word-of-mouth has gained a huge importance at the time to decide. The challenge is make consumers' voice heard and with such Youtube channels consumers may share videos about the experiences they lived.

3) Improve the website communication:

Since *A Vida É Bela* is building in Portugal, Spain and Brazil the same brand image, the website should transmit a uniform experience as well. With the internationalization the company is not creating different brands all over the world but is spreading the original concept. So, first of all the three website's layouts should be as consistent as possible, in order to solidify the worldwide image. Furthermore, *A Vida É Bela* could improve the information architecture of the web site, introducing simple but essential aspects to diminish some misunderstandings, for example an easier access to a company's presentation about the core business and history and a clear reference to the mission, vision, goals and values.

¹⁵⁷ <http://www.publituris.pt/2011/06/06/%E2%80%9Ca-vida-e-bela%C2%AE%E2%80%9D-chega-aos-smartphones/> (accessed in June 2012)

¹⁵⁸ The address is m.avidaeBELA.com.

¹⁵⁹ Your *A Vida É Bela*'s gift store wherever you are, in English.

4) **New *A Vida É Bela*'s product: the *Dream Box***

To increase customers' loyalty another suggestion is the creation of a box to collect experiences called *Dream Box*, where clients can keep the experiences' packages. This product could be bought in the same places where *A Vida É Bela* sells the experiences, and was thought for the most loyal customers who buy or receive pack experiences more often. The *Dream Box* would deepen the emotions of the lived experiences and each package could keep inside some photos of the lived experiences.

5) **Internationalization:**

Concerning the future of *A Vida É Bela* I strongly believe the sustainability of the company passes by betting on an aligned internationalization strategy. Portugal was seen as a trial market for a business that António Quina concluded to hold a huge potential. At that moment, Spain is the main focus of the brand; actually, while Portugal seems to have reached a maturity market with a current small growth, *A Vida É Bela* is getting the most of the revenues from Spain. Additionally, Brazil did not have the expected result yet. But, even if it requires a heavy investment, Brazil is a market with an enormous future growth potential.

Evaluation of some internationalization scenarios:

- **Italy - *La Vita È Bella***

Although, in 2012 *A Vida É Bela* planned an expansion to Italy, the project did not meet the day light. The main driver for this project would be the amazing success in the Iberian market during 2011, which reached a business volume of 47 million Euros and in Spain a growth above 130%. The perspectives to the Italian market were strongly positive with the belief that in three years the brand would conquer 20% of the market.¹⁶⁰

But the reality is that the internationalization strategy of *A Vida É Bela* for the next period focuses only on the Spanish and Brazilian markets. So, the idea to enter in Italy fell to the ground.

To analyze this issue a brief SWOT analysis of this investment should be helpful:

¹⁶⁰ <http://www.publituris.pt/2012/03/05/a-vida-e-bela-entra-em-italia/> (accessed in April 2012)

Framework 8: SWOT analysis¹⁶¹ – *La Vita È Bella* – Italy

(assuming the strategic vision that threats can be turned into opportunities)		
	Opportunities & Time	
	Short-medium time	Medium-long time
Strengths	<ul style="list-style-type: none"> The tourism sector in Italy is one of the drive forces of the economy and Italy is one of the main touristic destinations in Europe. http://www.lifeinitaly.com/real-estate/investing.asp; http://www.kpmg.com/IT/it/IssuesAndInsights/ArticlesPublications/Documents/InvestmentInItaly.pdf (accessed in July 2012) Italy is a latin country very similar to Portugal and Spain, so <i>A Vida É Bela</i> already has some knowledge and experience about this kind of countries. 	<ul style="list-style-type: none"> Italy's incredible artistic, historic and cultural heritage and the international recognition of the wine, food and the natural environment, potentiate the country to great investment opportunities. http://www.kpmg.com/IT/it/IssuesAndInsights/ArticlesPublications/Documents/InvestmentInItaly.pdf (accessed in July 2012)
Weaknesses	<ul style="list-style-type: none"> There are already other competitors exploring the Italian market (as <i>Smartbox</i>). http://www.smartbox.com/it/ (accessed in July 2012) Italy makes part of Euro zone which is experiencing a critical economic situation. 	<ul style="list-style-type: none"> The investment in Italy could be lower than in Brazil, but the expected future return in Brazil is much higher considering Brazil's dimension or economic prosperity.

Concerning the enormous focus on Brazil and the huge investment needed for that, the decision to not invest in Italy was well considered. In fact, the long term gains that Brazil potentiates, would be much higher than Italy could generate.

Next there is a brief analysis about the investment in Brazil.

¹⁶¹ This framework structure was taken from: FREIRE, A. (2000). *Estratégia: Sucesso em Portugal*. Verbo Editora

- **Brazil – *A Vida É Bela***

Brazil is being a tough challenge, where *A Vida É Bela* is trying to gain market share since 2009. This market has a huge potential that despite requiring large investments, the winners have a lot to gain. The main foreign investment sectors are tourism, transformation industry and mining.¹⁶²

In the experience gift market, the competition is extremely aggressive, not only among indirect competitors but also among direct players (such as *Smartbox*, *O Melhor da Vida*, *Viva Experiências*).

To analyze the investment decision of *A Vida É Bela*, the following brief SWOT analysis will summarize the main aspects that should be taken into account:

¹⁶²<http://www.rtp.pt/noticias/index.php?article=532034&tm=6&layout=121&visual=49> (accessed in July 2012)

Framework 9: SWOT analysis¹⁶³ – *A Vida É Bela* - Brazil

(assuming the strategic vision that threats can be turned into opportunities)		
	Opportunities & Time	
	Short-medium time	Medium-long time
Strengths	<ul style="list-style-type: none"> Small companies tend to internationalize into Brazil to enjoy the intern market growth and a market with 190 million consumers. http://www.rtp.pt/noticias/index.php?article=532034&tm=6&layout=121&visual=49 (accessed in July 2012) Brazil means a higher market than the Portuguese. http://saldopositivo.cgd.pt/empresas/a-vida-e-bela-do-lado-de-la-da-fronteira/ (accessed in July 2012) Brazil does not have many problems facing the world crisis, became an important international capital destiny and is the 8° biggest world economy. http://msbrasil.com.br/blog/empresarial/as-vantagens-de-se-investir-no-brasil/ (accessed in July 2012) 	<ul style="list-style-type: none"> Concerning the market characteristics (ex: size, prosper economic power), Brazil has a huge future market potential. So, survived companies have a lot to win.
Weaknesses	<ul style="list-style-type: none"> Brazil economic market conditions: high interest rate, threat of inflation, high tax burden and miss of a higher accuracy to control the public spending. http://msbrasil.com.br/blog/empresarial/as-vantagens-de-se-investir-no-brasil/ (accessed in July 2012) Difficulties to enter in a market with so many players. The challenge is to seek for constant innovation and for efficient plans, as proper segmentation strategies. <i>A Vida É Bela</i>'s lake of experience and preparation. http://saldopositivo.cgd.pt/empresas/a-vida-e-bela-do-lado-de-la-da-fronteira/ (accessed in July 2012) 	<ul style="list-style-type: none"> In the long run the aggressive competition in the marketplace leads companies to assume a constant innovation spirit and to be aware of the market condition.

¹⁶³ This framework structure was taken from: FREIRE, A. (2000). *Estratégia: Sucesso em Portugal*. Verbo Editora

Since *A Vida É Bela* is having so many difficulties with the internationalization into Brazil, this strategy should be very well considered, because the company might be missing opportunities in other profitable places. Regarding the strengths and the opportunities of *A Vida É Bela* in Brazil I strongly believe the company can make it truly lucrative and it is a matter of time. Moreover, in the future, *A Vida É Bela* should continue to think outside the box and try to expand even more.

A suggestion for an internationalization destiny for *A Vida É Bela* is Norway. Next, there is a brief justification for this point of view taken from an online research.

- **Norway**

A Vida É Bela type of service is typically oriented to medium high income consumers, who are open to innovations and to news. Norway seems a good internationalization possibility regarding its characteristics in terms of economy, lifestyle and population habits.

In terms of economy, the country has the third highest PIB per capital in the world, suggesting a high level of development and economic power.¹⁶⁴ Thanks to the oil industry, Norway achieved a great development and as consequence the economic power of Norwegian has arisen significantly. According to ONU reports, Norway is one of the best countries to live and has one of the best Human Development Indexes,¹⁶⁵ and regarding the Global Peace Indexes, is one of the most peaceful and stable places in the world.¹⁶⁶ Potentially Norway has a high percentage of the consumers-type that *A Vida É Bela* aims to achieve.

At the same time, Norwegians have a special taste for travel and leisure activities and they preserve a lot a certain kind of quality of life, since over time their living standards are higher.¹⁶⁷ Indeed, Norway ranks among the top countries in overall well-being and life satisfaction. Usually, people work less hours compared with other European countries, having at the end freer and quality time. Typically, Norwegians have a strong sense of community and high levels of civic participation, and dedicate the most of their time to personal care and leisure.¹⁶⁸ In 2007, Norwegian tourists had the highest tourism consumption, mostly on leisure trips.¹⁶⁹

¹⁶⁴ http://pt.wikipedia.org/wiki/Noruega#cite_note-9 (accessed in July 2012)

¹⁶⁵ http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf (accessed in July 2012)

¹⁶⁶ http://news.bbc.co.uk/2/hi/in_depth/6704767.stm (accessed in July 2012)

¹⁶⁷ <http://www.travelandleisure.com/articles/traditional-life-in-norway> (accessed in July 2012)

¹⁶⁸ <http://www.oecdbetterlifeindex.org/countries/norway/> (accessed in July 2012)

¹⁶⁹ <http://www.ssb.no/vis/english/magazine/art-2011-06-27-01-en.html> (accessed in July 2012)

These evidences suggest there is a huge interest among Norwegian for tourism and leisure activities, supported by the significant economic power. Those trends become Norway a really interesting business opportunity and suggest an enormous receptivity to *A Vida É Bela*'s offer.

According to 2012 Census, the population in Norway is around 5 millions¹⁷⁰. Over 75% of people aged 15 to 64 have a paid job and the top 20% of the population earn four times as much as the bottom 20% (roughly 3500€ per month compared to 294€ per month).¹⁷¹ Regarding the fact that *A Vida É Bela* main target are individuals with medium or high economic power, those restrictions exclude 2 million consumers. Among the remaining 3 million, *A Vida É Bela* might find their potential consumers with willing to consume.

Another important indicator to analyze the existence of market to invest is the existence of other players. In Norway there are already some other similar companies as *Nordic Break* or *Live It*.¹⁷²

¹⁷⁰ <http://en.wikipedia.org/wiki/Norway> (accessed in July 2012)

¹⁷¹ <http://www.oecdbetterlifeindex.org/countries/norway/> (accessed in July 2012)

¹⁷² Nordic Break was founded in 2010, provides mainly Nordic experiences and has the Nordic spirit truly imbibed. Live It makes part of the Global Experience Alliance, an international consortium for the experience industry created in 2008 and directed to corporate clients offering alternatives to reward and to incentive. Source: <http://www.nordicbreak.com> and <http://www.globalexperiencealliance.com/index.php> (accessed in July 2012)

6) Conclusion

A Vida É Bela was the ambassador of the experience marketing as business in Portugal and in Spain. Known not only for the innovator factor, but also for the incredible success and fast growth, *A Vida É Bela* is a real example of Portuguese entrepreneurship of whom did not have the fear to risk.

A Vida É Bela is the market leader in the Portuguese gifts' industry and a representative of an emergent segment in the tourism and leisure industry. At the beginning, selling experiences seemed too much intangible and without any viability. Therefore, if just few believed in this project, since the first clients started to look for these services and to build a positive feedback, *A Vida É Bela* began a success path that remains until today at least in Portugal and in Spain.

A Portuguese company but with an open spirit, *A Vida É Bela* left the Portuguese boundaries in 2006 towards Spain, where the huge success motivated the internationalization into Brazil in 2009 and left opened the vision towards other countries.

For now, *A Vida É Bela* aims to consolidate the Iberian market and the growth in Brazil. For tomorrow, their eyes are out there, other options and strategies are being studied.

The project to invest in Italy is not working in 2012 as planned, however consulting *A Vida É Bela* website there is a link to the brand *La Vita È Bella* (Italian name of *A Vida É Bela*), suggesting the project did not fell completely and maybe soon it can be on the market.

From a B2B online business, as the company started to grow and achieved the common consumers, *A Vida É Bela* assumed has a B2C company as well. For this strategic expansion, the development of the distribution channels, in terms of diversification and increment of the selling points, had a preponderant role to achieve a bigger fringe.

Regarding the future perspectives for *A Vida É Bela*, there is space in the market for the experience marketing, but to survive *A Vida É Bela* strongly needs to think about other investment destinations and more aggressive marketing campaigns. The competition is even more severe, the others players are practicing appellative prices and are placed in particular spots. Indeed, *A Vida É Bela* is aware of it, recently decreased the lowest price (15 Euros) to 10 Euros, only to online purchases of some pack experiences.

Furthermore, *A Vida É Bela* has to improve and to modify the offer. In fact, the launch of new brands, as A2, helped the company to adapt in a discrete way to the market needs, leveraging

the risk during the crisis period. Nevertheless, according to some information given by the company, the brands *Enjoy*, *Weekbreak* and *Freepass*, do not exist anymore, but the brand A2 is being a success.

More than relations, consumers' opinions and past experiences are valuable assets. The word-of-mouth gained a huge importance when deciding to buy. As the first selling experiences company in Portugal and in Spain, because of that *A Vida É Bela* is gaining some margin. But, the company has to bear in mind that this advantage is not the unique decision factor at the time to buy and other strong features have to be ensured and well communicated.

7) References

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